

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 21, 1927

AUTOMOBILE INSURANCE

Operating in
Illinois
Indiana
Michigan
Ohio
Missouri
and
Pennsylvania

specialists!

AS automobile insurance specialists, the ATLAS Casualty Company provides every automobile insurance service and protection—fire, theft, liability, property damage, collision, tornado—writing any or all of these coverages in *one* policy.

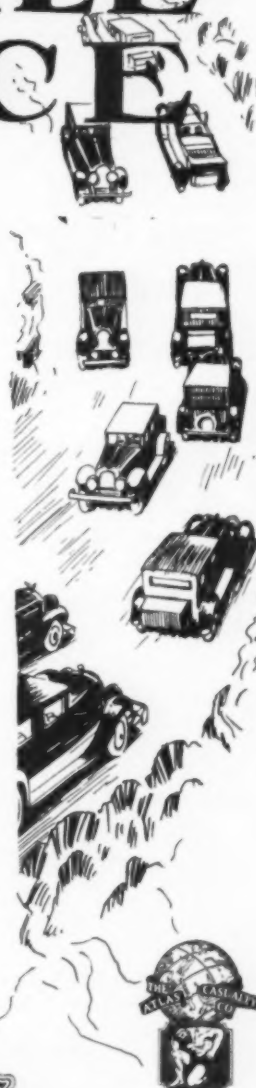
Specializing in automobile insurance *exclusively*, the ATLAS Casualty Company gives all of its time to serving its agents and its policyholders—helping its agents obtain profitable business; securely protecting its policyholders against loss.

A stock company of exceptional strength, the ATLAS Casualty Company is proud of its service and of its protection, and it asks you to share in the advantages of its service by joining its growing band of enthusiastic agents.



Atlas
Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana



FIRE — AUTOMOBILE — WINDSTORM — SPRINKLER LEAKAGE — MARINE



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Ins. Co. of America

Queen Agents from ocean to ocean
are safeguarding with Good Insurance
the Capital and Savings represented
in the Industries, Commerce, and
Homes of America.

INCORPORATED IN NEW YORK STATE 1891

CAPITAL \$3,000,000

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WESTERN DEPARTMENT
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CHICAGO

SOUTHERN DEPARTMENT
S. Y. TUPPER, MANAGER
ATLANTA

PACIFIC COAST DEPARTMENT
H. R. BURKE, MANAGER
SAN FRANCISCO

USE AND OCCUPANCY — RIOT AND CIVIL COMMOTION — PERSONAL EFFECTS FLOATER



The Soft Pedal

DISCOVERY—that his loss due to interrupted production will greatly exceed the damage done to his plant by fire.

Realization—that he could have and should have protected himself from this loss with Use and Occupancy Insurance.

Conversation—"How is it that I did not have Use and Occupancy Insurance?"

"Why if you recall, just a short time ago I suggested that you carry this protection."

"Suggested! Insurance is your business—I depended upon you to see that I

had proper protection from loss. You knew I needed this insurance and you should have made me realize its necessity. You may know insurance, but you are no salesman, and now that this loss is settled our business relations are over."

Unreasonable perhaps—but it brings out the point that you cannot keep your foot on the soft pedal all the time. If your client needs certain insurance protection, make every reasonable effort to induce him to take it. You may not succeed but should he later have an uninsured loss, he will not only be unable to blame you, but in future will accept your judgment without question.



FIDELITY-PHENIX
FIRE INSURANCE COMPANY
EIGHTY MAIDEN LANE, NEW YORK, N.Y.



ERNEST STUBB, Chairman of the Board
PAUL L. HAID, President

NEW YORK

• CHICAGO

CASH CAPITAL—TEN MILLION DOLLARS

MONTREAL • SAN FRANCISCO



INFLUENCE

THE Insurance Company of North America has recognized influence with property owners. It is an influence won by 135 years of reliable service, during which time every claim has been promptly and satisfactorily met. It is an influence strengthened and sustained by forceful national advertising. The full strength of this influence stands behind the success of every agent who offers North America protection.

**Insurance Company of
North America**

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



The National Underwriter

Thirty-first Year, No. 15

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, APRIL 21, 1927

\$4.00 Per Year, 20 Cents a Copy

GENERAL MOTORS ACTIVE IN GETTING RENEWALS

Insurance Agents Are Getting Solicitous Over the Automobile Indemnity Issue

SCENT DANGER IN PLAN

Company Built Up Large Premium Income During the Year—National Association Acts

At the meeting of the executive committee of the National Association of Insurance Agents in Chicago this week the activity and aggressiveness of the General Exchange Insurance Company, the insurance organization of the General Motors, received much attention. The General Exchange led in premiums last year reaching \$6,930,883, which went beyond the highest regular company, which was the National Fire of Hartford which had \$5,635,577. In 1925 the General Exchange's premiums were \$759,211. The increase during the year was nothing short of phenomenal. The General Exchange wrote more business last year than the Automobile of Hartford did the year before. The figures of the Automobile in 1925 were \$6,789,058.

Goes After Expirations

The insidious feature of the General Exchange is the fact that it is going actively after renewals. This seems therefore to have been contrary to the understanding reached between the executive committee of the National Association of Insurance Agents and the officers of the General Motors Company, the General Exchange Insurance Company and the General Motors Finance Company. When the General Motors started its insurance company and it became something of a factor in the fire and theft field, the committee from the National association met with the General Motors people, President Sloan of the latter being present. General Motors stated that its objective was to reduce the excess cost on automobile sales. It made the same argument that the Chrysler Motor Car Company did, viz. that in competition it was necessary to get the cost price down to as low a point as possible. Therefore, the motor companies had taken financing in their own hands and felt that by working out an insurance plan they could still further reduce the selling price.

Plan of General Motors

The General Motors people told the National Agency Association men that it was their intention to sell fire and theft insurance at 25 percent less than conference rates. They stated that they were not interested in the insurance after the first year. In other words they would not go after the expirations. They stated that they would be satisfied if the General Motors Finance Company financed a car, if insurance were carried in the General Exchange, simply to the

(CONTINUED ON PAGE 11)

INSURANCE LESSONS BROUGHT OUT BY APARTMENT HOTEL FIRE IN NEW YORK

NEW YORK, April 20.—Fire underwriters here have during the past week been discussing the spectacular fire which occurred in a tower portion of the 38-story Hotel Netherland now in the course of construction at Fifth avenue and 59th street, and which thrilled more than 100,000 people last week who watched it blaze beyond the reach of New York's fire department, the most efficient in the world. The blaze did very little damage to the building itself, being confined almost entirely to the scaffolding at the unfinished portion of the top of the tower. As the Netherland Hotel is of fireproof construction the damage to the exterior of the building was not of much consequence, but widespread damage was done to surrounding buildings, some of them occupied by the most wealthy and prominent families in New York.

Damaged by Flying Embers

Burning timbers and embers fell over an area of some six to eight square blocks, and every roof within this zone had to be guarded by firemen. The mansard roof of the Central Union Trust Company building at 60th and Fifth avenue was under bombardment for hours, and again and again the roof coping caught fire, only to be extinguished. The storm of firebrands, like the white ashes from an erupting volcano, fell steadily with almost equal volume on the roof of the Metropolitan Club at 60th and Fifth avenue.

Hazards Commented On

This fire, which was 500 feet in the air, was never touched by the streams which the fire department attempted to play upon it. Water was not thrown more than 200 feet, so that the longest stream was 300 feet below the fire. The comments on this fire, which was one of

the most exciting New York has ever had, are to the effect that fires in structures of this type may do considerable damage to surrounding property while they may not damage the risk in which the fire occurs to any extent. It is pointed out that such buildings as the Woolworth building, the Ritz Tower, and others rising to unusual height might, if a fire occurred in them, damage the roofs of buildings five and six blocks away as the Netherland Hotel fire did.

Where Danger Lies

The danger arises out of the fact that such structures are so tall that embers from fires in their higher stories might be carried blocks away because of the great height from which they might start to fall. All buildings of this character which are now being constructed are, of course, fireproof, but this does not afford complete protection. For example, the Netherland Hotel scaffolding simply burned itself out. Nothing could be done by the fire department that operated to reduce the blaze. The entire scaffolding simply burned until it was gone, or until parts of it were carried away by the wind and fell upon all of the surrounding buildings. Similar fires might occur in other towers that have shot up all over Manhattan Island. The fact that the buildings themselves are fireproof does not eliminate the hazard. Perhaps these big towers themselves might not be damaged to any extent, but there is the very serious hazard of loss to all structures in the immediate vicinity.

Construction Hazards

Underwriters have been pointing out that this fire demonstrates that even in so-called fireproof buildings there is this serious fire hazard, while under construction.

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AGENTS ASSOCIATION MEETING IN CHICAGO

Mid-year Conference of the National Body Is Considering Number of Questions

GARDNER IS PRESIDING

Executive Committee Started the Proceedings with Its Sessions Monday—State Officials Assembled Tuesday

The mid-year conference of the National Association of Insurance Agents is being held this week in Chicago. The conference proper opened Wednesday morning with President Frank L. Gardner of Poughkeepsie, N. Y., in the chair. President Gardner impresses those who come in contact with him and hear him as having his feet always on the ground. He belongs to the conservative wing of the association, believing in keeping its machinery well oiled and well repaired, moving along at a steady gait, rather than attempt anything spectacular.

Newburger Gave the Welcome

The address of welcome was given by President James M. Newburger of the Illinois association, the well known Chicago agent. The executive committee met on Monday and again on Tuesday in connection with the state association officers and representatives from different sections. W. E. Harrington of Atlanta presided at the executive committee meeting and presented its report Wednesday morning. There were present beside Mr. Harrington, Ben L. Agler of Youngstown, O.; R. P. DeVan of Charleston, W. Va.; Allan Kennedy of Ft. Smith, Ark.; Donald G. North, New Haven, Conn.; and Clifford A. Payne, Jacksonville, Fla., and Clyde B. Smith of Lansing, Mich. President Gardner is a member of the committee. Walter H. Bennett, the secretary, was in charge of the detail work. A. A. Klinko, from the National association office looked after the outside details and was a general utility man. The only member of the executive committee absent was Percy H. Goodwin of San Diego, Cal.

Giberson Present at Meeting

J. A. Giberson, of Alton, Ill., chairman of the finance committee sat in at the meetings of the executive committee owing to the prominence of his work in connection with the Association. The Illinois association established headquarters at the Sherman hotel, presided over by President Newburger and Shirley E. Moisant of Kankakee, the secretary.

Aside from the report of the executive committee, Mr. Harrington, chairman of the better business methods committee made a report of its activities. This committee is doing a very fine piece of work. W. B. Calhoun of Milwaukee, chairman of the fire prevention and conservation committee reported at the State meeting for his committee, showing that the association is taking an

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FRANK L. GARDNER
Poughkeepsie, N. Y., President



WALTER H. BENNETT, New York
Secretary

SOUTHWEST STORM LOSS WELL OVER A MILLION

CENTERED AT ROCK SPRINGS

Prosperous Texas Town Completely Wiped Out—Heavy Damage Over That State, Oklahoma and Arkansas

DALLAS, TEX., April 20.—The series of tornadoes that swept through the southwestern states last week exacted their greatest toll in lives and property in Texas. The outstanding disaster, of course, was the complete destruction of the town of Rock Springs. The tornado lasted five minutes and left 100 percent loss, estimated at from \$600,000 to \$1,000,000. With every family in the town suffering losses by death, or with some member in an emergency hospital, no really accurate check of property losses can be made. It is known, however, that the assessed valuation of the city is more than \$500,000, which does not represent more than 50 percent of the actual property value.

No Insurance Figures Obtainable

It is impossible, as yet, to discover how much tornado insurance was carried. Among the 56 known dead are R. Dallahite, long-time representative at Rock Springs of the Republic of Dallas, and his daughter. Mrs. Dallahite was taken to a San Antonio hospital suffering with fractured ribs and scalp wounds. Mr. Dallahite was also editor of the "Edwards County Leader." With that source of information cut off by his death, there cannot be an immediate check of the tornado insurance. Further, every building in the town was destroyed and it is questionable if any book records will be found even when order is again restored and the debris sifted.

Rock Springs Was Bull's Eye

Rock Springs was the bull's eye in the target for the tornado that rendered that section kindling wood. The first flyer who reached the stricken town to attempt relief said only the wreck of the courthouse and jail remained standing, every tree even being torn down, and debris strewn over the entire site of the city like matches spilled on a tablecloth. Water in tanks had to be brought from nearby towns since the waterworks was completely destroyed. No food was left and that, too, was brought in, largely by airplane, on account of the swollen condition of the rivers which prevented crossing of relief trains of automobiles which had been organized in Uvalde, San Antonio and Del Rio. Among the freakish remainders of the storm was the soda fountain of a drug store which had been demolished, though the fountain continued to dispense drinks until the liquids in the tanks were exhausted.

Was Prosperous Business Town

Rock Springs takes its name from the 700 springs which bubble out over the plateau on which the town was built. It has been a popular health resort because of its water and climate and altitude and its industries of cattle, sheep and Angora goat raising, and its commercial production of mohair and wool have made it a prosperous business town, as the healthy condition of its two banks signifies. Low barometric pressure is said to account for the violence of the storm which descended with no warning other than a heavy pall of black clouds. The telephone operator of Rock Springs, who walked a mile out of town to where a single strand of wire still stood, and established a temporary phone from which she sent calls for help all during the ensuing night, is the heroine of the storm in that section.

Heavy Loss in Other Sections

The same tornado which destroyed Rock Springs dipped into adjoining states and took its toll of lives and property as it went. Part of the town of

(CONTINUED ON PAGE 39)

CHURCH INSURANCE CASE BEFORE COMMISSIONERS

BUTTON TO PRESENT FACTS

Virginia Official To Make Report on His Investigation of Episcopal Church Deal

RICHMOND, VA., April 20.—Commissioner Button of Virginia is still determined, he stated this week, to lay before the National Convention of Insurance Commissioners at its spring meeting in Richmond early in May all the facts relative to the writing of church property under a master policy through a New York brokerage firm in alleged violation of insurance rating laws, as brought to light in his recent controversy with the Globe & Rutgers on this subject.

Commissioner Button's Charges

The commissioner charged that Charles A. Tompkins, assistant treasurer of the National Council of the Protestant Episcopal Church in the United States, had an arrangement with the New York firm for the placing of insurance on property of that company in Virginia at a flat rate and that at least one piece of property in Norfolk was written under the plan. He also accused the Globe & Rutgers of being involved in the deal, but Lyman Candee, vice-president of that company, promptly denied being implicated in it and has since reiterated the denial in letters which Commissioner Button has received from him.

The insurance on the Norfolk church property was cancelled soon after it came to light that it had been written in January of this year for a period of three years. In the inquiry into this case there was no evidence to connect the Globe & Rutgers with the placing or writing of the insurance.

During the controversy, it developed that property of the Congregational Church in some western states had been written under a similar plan through its New York headquarters.

HOUSE CLEANING HAS HAD A GOOD EFFECT

NEW DAY FOR AUTOMOBILE

Hartford Company Has Been Through the Reorganization Stage and Better Time Is in Sight

HARTFORD, April 20.—"What's doing with the Automobile Insurance Company?" You hear this question asked occasionally though not as frequently as a year ago. Today the interrogation more often gives way to the statement: "I understand the Automobile is doing quite well." The confirmation of this is pleasing to men of constructive insurance interests, as the Automobile, backed by its parent companies, challenged a situation which meant much to the whole stock insurance fraternity.

A peep at the activities of the company today and a glimpse of the spirit in evidence at the home office at 49 Pearl street in Hartford indicates things going very well indeed. There is an atmosphere of quiet industry and a realization that much has been accomplished. Everyone appears to know quite well what they are doing, and furthermore what must be done if the business in which they are engaged is to prosper.

Adopt Open Door Policy

The policy of the "open door" is practiced and a good method it is for fire insurance companies where many lines should have the attention of those in charge of the company's policy. In fact, Vice-President Alfred Stinson himself is a firm advocate of the open door policy. His many duties, of course, find him constantly occupied with callers but seldom is the door closed and more often he is to be found in person out at the maps, or in the field than in his own office. The same is true of Secretary Olaf Nordeng and all the way down through the ranks.

Asked by a representative of THE

(CONTINUED ON PAGE 39)

MARINE REPORT NOW BEING CONSIDERED

WANT LINE OF DEMARCATION

Special Committee Recommends Plan for Separating the Two Lines of Indemnity to Organizations

NEW YORK, April 20.—As members of the Western Union were advised by its committee on inland marine insurance at the semi-annual meeting at Washington, the Eastern Underwriters Association is giving serious consideration to the matter of inland marine lines, and has suggested a method for their handling. The report of the special committee of the latter body is an exhaustive one, covering 40 or more of closely written pages, together with recommended forms of policies. The report has been before the executive committee for several weeks. Before any action is taken the probabilities are that the report will be summarized for submission to all members. What action will finally be taken and how soon it may be looked for is a question.

Requires Expert Auditing

To handle the business calls for expert auditing of the monthly cover reports, and not all of the members are equipped or have the inclination to undertake the work necessary to properly deal with this type of risks. While a number of the offices insist that fire underwriting methods must be adapted to meet changing conditions in the general business field, others are hesitant over the proposed radical departure, fearing that it will be used as an excuse for still other changes not warranted by sober judgment. Not a few companies now object to general cover contracts, and refuse to write them.

Constitute a Forward Step

The recommendations put forth by the special committee of which President Rush of the North America is chairman, constitute a forward step. Their adoption would not only meet a legitimate demand from big business interests, but would go a long way to checking the inroads made upon clearly fire business by strictly marine offices and by certain fire companies maintaining marine departments and which has been provocative of so much ill feeling by companies and agents.

Must Be Nation-wide

The plan of the committee in order to be effective must be nation wide in its application. Such is the recommendation of the committee, which would create a special organization for its management.

The whole subject is one of first importance. The prevailing impression is that some little time must elapse before the suggestions of the committee will be generally approved, sensible and essential though they are.

CALDWELL IS NEW HEAD OF THE COMMISSIONERS

MONTGOMERY, ALA., April 20.—Superintendent of Insurance Frank N. Julian of this state, who is chairman of the executive committee of the National Convention of Insurance Commissioners, announced this week that as a result of the poll of the committee for president in view of the resignation of Judge Harry L. Conn of Ohio, seven out of a possible ten voted to advance Superintendent of Insurance Albert S. Caldwell of Tennessee who is first vice-president. There is one state yet to hear from. This puts Superintendent Caldwell therefore as the executive head of the association. In view of his election no action will be taken as to other vacancies until the insurance commissioners meet in Richmond, Va., the week of May 2.

CONDENSED NEWS OF THE WEEK

Mid-year conference of the National Association of Insurance Agents is being held this week in Chicago. **Page 3**

Company executives find some valuable lessons in New York apartment hotel fire. **Page 3**

Commissioner Button of Virginia will lay complaints regarding wholesale insurance of church properties before Commissioners' Convention. **Page 4**

President Gardner of National Association of Insurance Agents reviews work of that organization. **Page 5**

Some observations made on the recent semi-annual meeting of the Western Union. **Page 5**

Review of automobile conditions on Pacific Coast shows gains for stock companies. **Page 6**

Property loss of more than \$1,000,000 caused by tornado that swept through southwestern states. **Page 4**

Durant Motors adopts wholesale insurance plan. **Page 38**

Companies report bad loss experience under Massachusetts compulsory automobile insurance law. **Page 42**

Superintendent Beha warns companies against creation of "preferred claimants" by including a "funding or deposit" clause in policies. **Page 43**

Casualty officials are studying effect of recent injunction on "not taken" bureau. **Page 43**

Reciprocal quibbles brushed aside by court of appeals. **Page 41**

National Association of Insurance Agents is much disturbed over the aggressive action of the General Motors insurance-wise. **Page 3**

Report of special committee on separating marine and fire insurance is now given serious consideration. **Page 4**

John P. Hollerith of the North British has been elected president of the Rain Insurance Association. **Page 16**

Examination report of the Federal Surety of Davenport has been released. **Page 42**

Joint legislative committee reports West Virginia state workmen's compensation fund solvent and well managed. **Page 46**

Increase in compensation rates in Kansas is submitted to department. **Page 46**

Threatened break of New York Indemnity and National Surety with the Surety Association of America is averted. **Page 42**

Central States Safety Congress is held in Kansas City. **Page 42**

United States Treasury Department issues its semi-annual statement showing acceptable surety on federal bonds. **Page 41**

The executive committee of the National Association of Casualty & Surety Agents confers with executive committee of the National Association of Insurance Agents as to rupture in the Surety Association. **Page 41**

Ohio casualty table. **Page 51**

Texas casualty table. **Page 53**

SOME FEATURES OF THE WESTERN UNION RALLY

Some Definite Steps Taken in Spite of the Short Session

WILL TAKE UP LOSSES

Effort Will Be Made to Bring About Some Needed Reforms Along This Line

Only once before at a regular semi-annual or annual meeting of the Western Union has all the business been transacted in a single day up to the Washington, D. C., meeting last week. The only other meeting was at Philadelphia at the semi-annual meeting in 1920. The members at Washington were evidently surprised themselves to have business dispatched so rapidly that by 5:00 o'clock in the afternoon it was all over, including the meeting of the actuarial bureau subscribers. Almost all had arranged to remain over night and hence but few got away Tuesday night. Most stayed over for the next day, took in the sights or conferred with one another in the hotel lobby. The golfers had chilly weather Sunday and Monday so there was no great inducement to hold only morning sessions. On Tuesday, however, the weather was ideal, so the golfers lost their best bet.

Meeting at the Mayflower

The members went to the Mayflower hotel this year, although previously they had met at the Washington. In many ways the Washington is very convenient and the meeting facilities are the most satisfactory of any place where the Union has held its meetings. However, many enjoyed the Mayflower and its more elaborate and commodious arrangements. The meeting room at the Mayflower was not very satisfactory.

To Take Up Loss Adjustments

Although the meeting was condensed in a single day, the Western Union took some action that is progressive and definite. For instance, a special committee will take up the subject of loss adjustments in Union territory. This particular subject was touched on in the address of President C. A. Ludlum and was referred to the committee on order of business, that felt that the time was ripe for a committee to endeavor to eliminate some of the abuses in the loss adjusting field, especially where agency influence is insidious. The committee will confer with other jurisdictional bodies. The loss adjustment situation in Chicago through the Cook County Loss Adjustment Bureau was greatly improved according to the report of the committee headed by C. R. Street of the Great American. It is felt, therefore, that now the time is ripe for taking up this subject outside of Chicago.

Chicago Acquisition Cost

Evidently some of the members feel that the time is opportune for the large cities committee to try again to work out some practical plan to bring about a reduction in acquisition cost in Chicago and Cook county. The committee was urged to proceed on some program and bring it up at the next meeting. The success encountered with the Cook County Loss Adjustment Bureau and the feeling on part of company managers that conservatism is in the air and that greed is not so rampant, leads members to feel time may be opportune to try and bring about needed reforms in the city.

One subject has been annoying the companies and that is in states where

APPOINTMENT FOLLOWS CLOSE ON RESIGNATION

JOHN KELLER MADE MANAGER

Chosen to Head Western Adjustment, Inspection Company's Branch in St. Louis

John Keller has been appointed manager of the St. Louis branch of the Western Adjustment, to succeed J. W. McKay, who has resigned.

Mr. Keller started with the Western Adjustment in 1912 and has been with the company constantly since then with the exception of a couple of years, during which he was general adjuster for the Home of New York in Kansas City. At the time of the death early in 1925 of Colonel Whittemore, who was head of the Kansas City Western Adjustment branch, Mr. Keller was made manager of that branch.

Mr. Keller is a man of exceptional ability and has a host of friends among the agents and field managers in Missouri. He assumes his new duties confident of the good wishes of all who are acquainted with him.

W. G. Chesnut, assistant manager of the Kansas City branch, is temporarily in charge of that branch. He retains the title of assistant manager.

there is rate litigation and the subject has been carried to the higher courts, there has not been uniformity of action as to agents' commission. In Kansas, for example, the entire extra premium was impounded, and no commission was paid on that to agents. In Missouri, however, the agents' commissions were deducted, although the companies may have to pay the entire extra amount back to the assured. Some companies, it was stated had suggested to their agents that they might be called upon to return the commissions on the extra premiums collected, but the agents seemingly were very decided in their answer that they would not comply. Therefore, in the future, no commission or other emolument will be allowed on the extra premium where a rate controversy is on with the state authorities. This will mean uniform action.

Must Report Through Bureaus

Where there has been no mandatory rule regarding the reporting of business through the state audit bureaus, the companies have to a large extent complied with this practice, although here and there, there have been some digressions. It was felt best, therefore, to have all business over which the Union has jurisdiction reported through the state bureaus. The committee declared that the audit bureau arrangement had brought about economy, eliminated discrimination and the result had been greater efficiency.

Turn Down Deductible Clause

While there have been some earnest and strong advocates for a differential rate to be allowed in big concerns where a deductible clause was used, yet it seemed impolitic for the Western Union to attempt anything of this kind without other jurisdictional bodies taking similar action. For instance, there are some big concerns that would like to have a rate to cover major losses, say over \$50,000 or \$100,000. Many felt that unless an arrangement of this kind could be made, there was danger of some large industrial concerns carrying their own insurance. These concerns would be amply able to absorb all smaller losses. Some feel, however, that a plan of this kind might lead to a good deal of trouble.

Marine and Fire Policies

One of the most aggravating situations confronting insurance at this time is the lapping over of the marine cover on purely fire insurance. Thus, companies under so-called marine policies

SOME LEADING SUBJECTS WILL BE BROUGHT UP

MEETING OF EASTERN BODY

Company Organization Will Discuss the Non-Recording Agency Issue at This Week's Conference

NEW YORK, April 20.—When members of the Eastern Underwriters Association hold their general meeting in New York City Thursday of this week one of the major topics that will likely be presented, and which if it comes up is sure to provoke earnest discussion, is the status of non-recording agencies, concerning which numerous inquiries have been made by companies and field representatives. While non-recording agencies are to be found in any number of the "excepted cities" they are particularly numerous in Newark, Pittsburgh and Boston. For years past managerial committees have attempted to deal with this problem, but without material result. Rules of the Eastern Underwriters Association on the subject are vague, stating merely that the rate of commission paid sub-agents and non-recording agents shall be less than that allowed those issuing their own policies. The problem is an intricate one, being closely interwoven with the question of company rights, as well as those of general agents. A number of offices have spent large sums to develop sub-agency plants and are not disposed to tamely surrender their vested interests therein. The topic is one to which a committee of the organization has given earnest study, though it is not known whether it has a solution to offer at this time or not. Doubtless illuminating suggestions will be made from the floor if the questions be freely discussed on Thursday. It is quite probable too that the matter of inland marine covers will be reviewed. As well as conditions in a number of the excepted cities, the gathering promises to be largely attended, member companies taking the greatest possible interest in the progress of the organization and being eager to learn the probable disposition of a number of the big issues confronting the body.

cover the shore end of the business, taking the premiums from fire insurance companies. Committees have attempted to deal with this situation, but with no great success. It was felt that it was something that would have to be taken up by companies in general. Now it seems there is a fair way to have the various jurisdictional organizations pass on a plan that has been suggested by a general committee headed by President Benjamin Rush of the North America. Mr. Rush is a specialist on marine insurance. It is thought that the committee will be able to bring about the demarcation between fire and marine insurance, so that the marine cover will not poach on the private preserves of fire insurance. The inland marine policy, too, has been extended so that there is a confusion and the fire companies claim that they are losing by this marine practice.

No Policy for Smudge Insurance

Definite action was taken which at least for some time to come will prevent fire companies from extending their policies to cover smudge and smoke due to oil burners. There were some advocates for an extension of the policy provided an additional premium was paid. However, it was felt that if this were done it would not be very long until this extra insurance were given free of charge. It would then mean that the fire companies would cover losses due to a friendly fire. Altogether the practice seemed fraught with danger and it was voted down. It is generally understood that the fire companies, therefore,

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AGENTS KEEPING PACE WITH EVENTS OF DAY

President Frank L. Gardner of National Association of Agents Reviews Work

MANY BIG PROBLEMS UP

Organization Has Grappled With Vital Issues and Done Its Part in Seeking Solution

Frank L. Gardner of Poughkeepsie, N. Y., president of the National Association of Insurance Agents, on the eve of the mid-year conference in Chicago, discussed the work of the association as follows:

"Like others engaged in insurance the agents are giving serious thought and study to the business. A glance at the program for this meeting shows how the producers are watching the trend of the times. First and foremost they are thinking of the public service rendered by the business and then of ways and means by which they can improve their own service.

Two Important Topics

"The first subject we find listed is compulsory automobile liability insurance legislation. The second is 'The Agent's Opportunity to Forestall Adverse Legislation by Selling the Public.' One state, Massachusetts, now requires, as a condition of obtaining a license to drive an automobile, that every owner carry liability insurance or furnish some other security in order that he may be able to recompense those whom he injures, or the heirs or those whom he may kill. We regard it as far more important to prevent accidents that result in injury or death than to attempt to compensate for such results. In three mid-western states the agents and companies in concert have made a drive to sell liability insurance in order to forestall misguided, mistaken agitation for legislation that does not reach the real evil involved, accidents. These states are Illinois, Indiana and Michigan.

Cooperate in Fire Prevention

"Fire prevention is, to our membership, another important matter of public service. As in the past our committee on this work has devoted itself to cooperation with chambers of commerce in the Inter-Chamber Fire Waste Contest, a movement which has done much to reduce fire losses throughout the country.

"In passing I invite attention to a remarkable result secured by agents in a Michigan city. Aroused in 1925 by bad conditions the agents there formed a local organization, assisted by the state and National associations. The result of organized effort was to reduce, in a year's time, the fire loss record of the city by 87 percent.

"The National association is now about to begin a program of educating children along accident prevention lines. This work will be undertaken in conjunction with the National Bureau of Casualty & Surety Underwriters. Our members will enter upon it with a zest and enthusiasm that are bound to produce the results desired—a marked decrease in child casualties and deaths.

Studying and Analyzing Business

"I referred to the fact that the business has been studying and analyzing itself. The agents have done their full share of that work, and their activity has been of material assistance in combating the tendency to remove from the agent some of the functions which

he formerly had in the business. We are glad to note that the tendency is now toward restoration. Attention has previously been called to the losses in agency service which have been sustained in many respects as insurance became more and more standardized or bureauized. Rating procedure, regulations, schedules and other factors in insurance have become more and more complicated, at the expense of the close relationship which formerly existed between insurance and the public. Happily a ray of bright sunlight in the dark clouds seems to indicate the approach of the day on which our business will settle its own problems and no longer run to state supervising departments with a confession of inability to manage itself and an appeal for aid.

Finance Company Competition

"The organized agency forces have many problems that call for thoughtful and careful consideration. Indeed the matters which we always have with us, like the poor, are the reason for this mid-year conference—to discuss important questions which we can not permit to run from one annual convention to the next. We saw the end of one of our greatest problems in recent years—the final defeat of the Chrysler-Palmetto scheme by the supreme court of the United States, but we still have the question of finance company competition. It seems to us that the single interest policy which has been proposed to protect the interest of a finance company in an automobile bought on time may be the answer to this particular difficulty.

Financial Agency Issue

"An important question is the financial insurance agency in competition with established agencies. It has been found necessary by agents to declare the Firemen's again in violation of one of our cardinal principles for the preservation of the American agency system because of such an appointment in Frankfort. Associated with it in making the appointment was another company in the group, the Girard Fire & Marine, which was likewise found in violation of this principle.

"In this connection it is important to note that this appointment by these two companies was made subsequent to the signing of the conference agreement by committees representing the National Board and the National Association of Insurance Agents. It is informative to consider also the fact that over 200 companies have agreed to observe the principles enunciated in the conference agreement. That statement says, referring to financial agencies, that it is detrimental to the best interests of fire insurance further to extend the system of company representation by such

FEAR EFFECT OF RATE INCREASES ON AUTO

Conference Companies in California Have Gained Recently in Volume of Premiums

AGENTS PRODUCING MORE

Spirit Was Changed by National Automobile Club Service and They Are Now Active

SAN FRANCISCO, April 20.—While there is considerable conversation regarding the automobile situation on the Pacific coast a canvass indicates that on the whole stock company business is steadily making progress, although when comparative figures are taken for conference companies only there appears to be a standstill in premium income in 1926 over 1925. Looking back for the past three years, however, the conference companies have increased their proportion of business approximately 7 percent, while the reciprocal organizations showed a decline of between 6 percent and 7 percent over the same period. The significance of this fact is that the advancement by the conference companies has been made since the substitution of the present rates for the former exceedingly high collision rates.

A chart reveals that prior to 1922 the

institutions or officers or employees thereof who may use the power of coercion lodged in a money-lending institution to influence insurance business.

Restriction of Membership

"Last December it appeared to the national executive committee that the time had arrived when the state associations might restrict their membership in accordance with their constitutional provisions. Accordingly that recommendation was made. And thus far it has been followed by state associations with encouraging dispatch. We are looking forward to the time when membership will be considered a privilege eagerly to be sought. That condition we hope to bring to pass gradually.

"We are of course continuing with all the power at our command the effort to assist agents in every possible way. One example is the work of our better business methods committee

conference companies were steadily losing ground with the reciprocals showing a steady gain in almost exactly the same ratio. From 1922, however, the curve sharply changes with the reciprocals declining and the conference companies advancing. They are now traveling apparently on practically parallel lines with, however, the most essential elements favoring the conference companies. During 1926 the conference companies wrote 44 percent of the California business with the reciprocals writing only 30 percent.

Demand for Collision Increase

One of the features of the situation which is very obvious is that present agitation for increased rates in collision insurance among conference companies emanates mostly from those companies doing very little automobile business and that are not paying very much attention to its development within their own offices. The leading non-conference companies seem to have fared fairly well with the present level although they probably would welcome an increase if a higher rate would be accepted by the buying public, but the competitive position of the stock companies must be carefully watched.

Fear Loss of Ground

At the present time it is held by some underwriters that the position of the conference companies in the Pacific coast territory today is better than it has been for many years and they apparently feel that any increase in automobile rates in California would mean the loss of ground gained during the last four years. This, in spite of the fact that a number of the smaller non-conference companies and reciprocals have

which, as is well known, is giving attention to agency costs and agency efficiency. We observe with gratification the formation of many new local boards throughout the country and the attention these organizations are giving to advertising, public relations, fire and accident prevention and other important matters. Their spirit is typical of that which animates the entire agency organization up to the state and National associations.

"There are other topics which I might mention. But what I have said indicates, I think, that the agents, in their organization, are trying to keep pace with the march of events. I believe that our meeting this week will show a record of substantial progress of which organized agents may well be proud. Certainly it has given us, who are entrusted with the task of guiding the affairs of the National association, much gratification and encouragement."

had a sad experience and that several have departed from the business.

It must be recalled that when the collision rates in California were put to their former high level it diverted the business away from the conference companies and into the hands of reciprocals and other organizations that, while cutting rates, obtained a substantial financial footing which created a very serious competitive condition.

Value of Automobile Club

One of the principal factors in bringing about the present very favorable conditions was the establishment of the National Automobile Club which in the face of divided opinion and many obstacles has pushed itself forward until today it is recognized as the leading service organization in the touring state of California. One of the accomplishments of the National Automobile Club was to increase the morale of the agency forces of California. From a phlegmatic and discouraged body, the assistance of the club has changed the agents into active producers of business. Prior to this there was a constant hue and cry from agents in all sections of the state that the activities of the other underwriting organizations virtually shut them out from participating in automobile insurance business, although the companies they represented were constantly after them for volume.

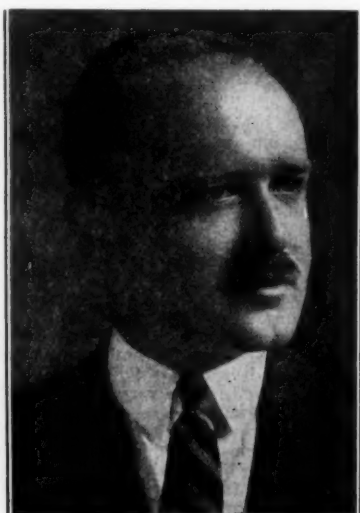
A study of the development during the past few years shows a constant upward trend in the agency production curve for conference companies and one or two of the more substantial non-conference stock companies. It is doubtful if there are more than a half a handful of conference or board managers operating in California today who doubt the conference and the National Automobile Club have benefited the business. To one conversant with conditions in California whose perspective has not been restricted by the individual experience of his own office, it would appear that any increase in automobile insurance rates at the present time would be an admission of defeat on the part of the conference companies and would hand reciprocals and other competing units ammunition which would have a very depressing effect on those companies that are supposed to be the backbone of the insurance business in the United States.

As in any other business the future must be considered as much as the past and at the present time there is a statewide movement to improve traffic conditions which is meeting with success. This very naturally will have a beneficial effect and taking the business as a whole and not segregating the ratios into classifications or companies, there is apparently no justification for a drastic advance in any automobile rates in California.

PROMINENT NATIONAL AGENCY COMMITTEE MEMBERS IN CHICAGO



W. E. HARRINGTON, Atlanta, Ga.



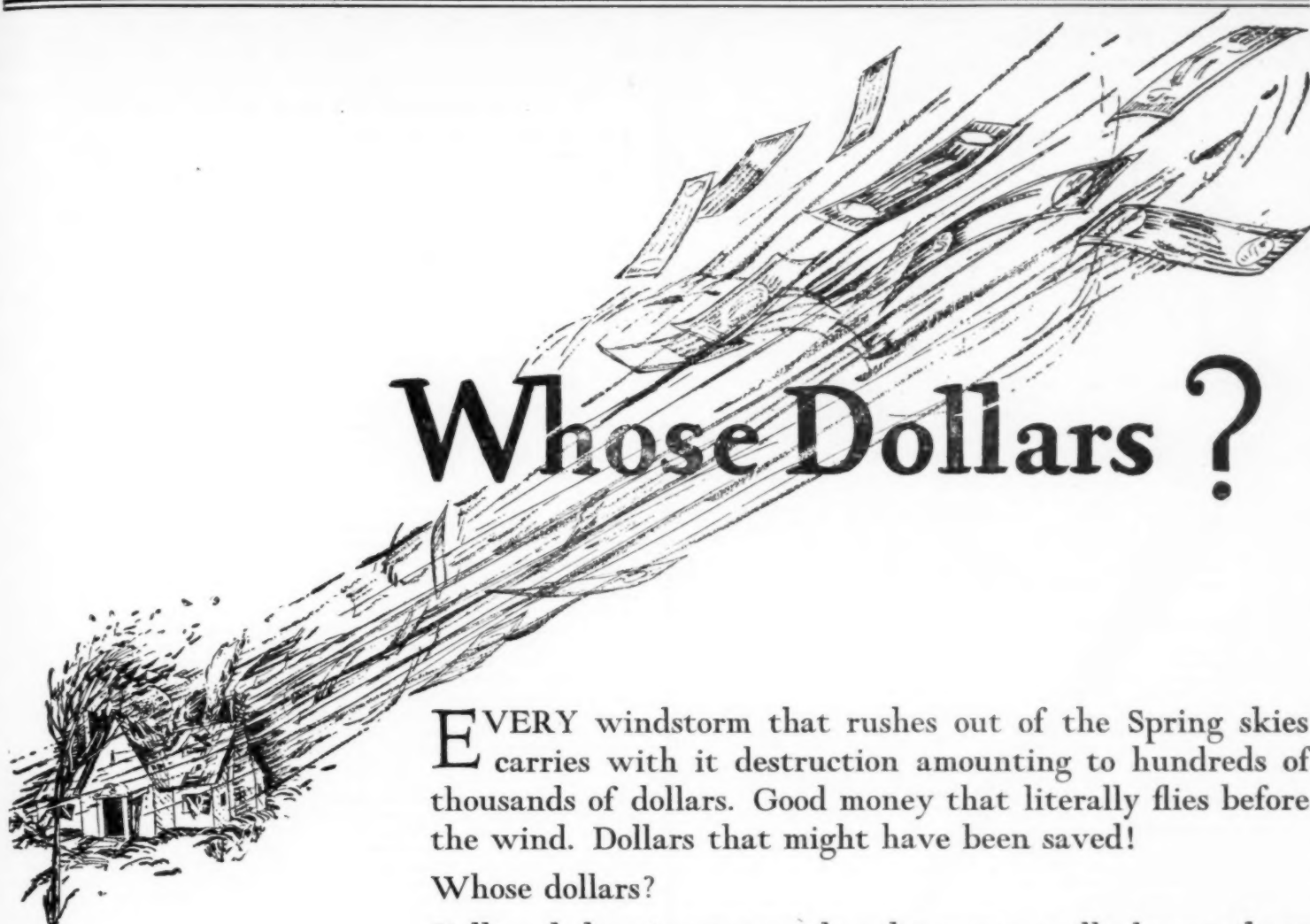
DONALD G. NORTH, New Haven, Conn.



CLIFFORD A. PAYNE, Jacksonville, Fla.



J. A. GIBERSON, Alton, Ill.



Whose Dollars ?

EVERY windstorm that rushes out of the Spring skies carries with it destruction amounting to hundreds of thousands of dollars. Good money that literally flies before the wind. Dollars that might have been saved!

Whose dollars?

Dollars belonging to people who never really knew about windstorm insurance. People who thought of it vaguely in connection with tornadoes only. People who didn't realize the menace in any ordinary windstorm. Who didn't know the small cost of windstorm protection.

The agents of this company are telling their clients now — and selling them windstorm policies. The average man soon sees the wisdom of this coverage once it is explained to him properly. And he is forever grateful to the agent who thus saves money for him when the spring storms take their toll.

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AND **LONDON**
AND **GLOBE**
Insurance Co., Ltd.

Western Department
CHICAGO

Southern Department
NEW ORLEANS

Pacific Coast Department
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

AGENTS ASSOCIATION MEETING IN CHICAGO

(CONTINUED FROM PAGE 3)

active part in the fire prevention movement in many different ways and urging the state officers to forward the work. Earl E. Fisk of Green Bay, Wis., chairman of the committee on public relations and education, who is the contact man with chambers of commerce and business organizations, told what had been accomplished in his particular line during the last six months.

The executive committee took up the complaint from Worcester, Mass., and New Haven, Conn., regarding the Travelers Fire and Automobile of Hartford. It was decided not to take any action inasmuch as a protest has been made to the Eastern Underwriters Association and it is expected that that organization will iron out the situation inasmuch as both companies are members. The protest centers about the fact that both these companies have regular solicitors canvassing for life and miscellaneous casualty lines. These companies insist that these be regarded as regular agents and entitled to the same commission as regular agents. The regular agents say that the salesmen for these companies do not have any office expense and devote but part of their time to fire insurance, but get the full commission.

Controlling Company Members

This situation was considered by the executive committee and it brought up the condition found in company organizations, the question being asked whether these organizations are able to control their own members. Members of the executive committee stated that frequently it is found that one or two companies in an organization are guilty of various deviations and the organization does not seem able to discipline them. Secretary Sumner Rhoades of the Eastern Underwriters Association has gone to both cities and it is expected that the executive committee will take the matter up in a short time.

Another vital issue coming up at the executive committee meeting was the increasing number of agency appointments being lodged with banks, mortgage loan concerns, building and loan associations, etc. It was stated that these mortgage loan institutions particularly are increasing in number and size. Many of them are loaning money for life insurance companies and control the insurance.

The National Association of Insurance Agents is now mulling over the joint local board advertising plan whereby it will be able to furnish copy to local boards that desire to do advertising in their papers. A number of

sets of copy have been furnished the National body. This will be assembled and effective plans will be outlined so that members can get the advertising service.

At the meeting on Tuesday some of the members from the smaller districts stated that local agents representing only stock companies and following orthodox practices are confronted with competitors who represent both stock and cooperatives. It was found that these agents had mutuals or reciprocals and are able to offer lower rates especially on automobile insurance. This was called insidious competition. The speakers contended that there should be absolute separation so far as the two classes of companies were concerned. It was also claimed that the adjustment bureaus should not be allowed to adjust losses for reciprocals or mutuals.

Get-together Dinner

At the get-together dinner on Tuesday night, President Frank L. Gardner presided. Donald G. North of New Haven led the community singing and rendered a solo. Brief talks were made by W. E. Harrington, Atlanta, Ga.; Secretary W. H. Bennett, Past President A. W. Neale, Cleveland; R. P. Devan of Charleston, W. Va.; E. B. Dunning of Duluth, President Spencer Welton, New York Indemnity; J. M. Newburger of Chicago, president Illinois Association of Insurance Agents; E. M. Allen, past president; B. L. Agler, Youngstown; Donald G. North, New Haven; Allan Kennedy, Fort Smith, Ark.; Clyde B. Smith, Lansing, Mich.; C. A. Payne, Jacksonville, Fla.; J. A. Giberson, Alton, Ill.; C. M. Cartwright, THE NATIONAL UNDERWRITER.

Buttressing President Gardner at the speakers' table, were the members of the executive committee, Secretary W. H. Bennett, the two former presidents and "Duke" Dunning of Duluth.

Opening of Wednesday Session

Charles L. Gandy of Birmingham, assistant secretary of the Alabama association, responded to the address of welcome. August Torpe, president of the Chicago Board, expressed greetings, in addition to those of J. M. Newburger, president of the Illinois association.

The executive committee will seek a conference with the president of the Eastern Underwriters' Association as to remedying conditions at New Haven, Conn., and Worcester, Mass., arising from branch managers' paying full commissions to solicitors and life agents.

Chairman Harrington of the executive committee read a lengthy statement regarding the attempt of National association officers to induce President Bassett of the Firemen's to fall in line with the agreement of the National Board. He

VIEWPOINT OF THE BUSINESS FROM THE DESK OF AN EXAMINER

(CONTRIBUTED BY A DAILY REPORT EXAMINER)

I HAVE often thought as I have seen examiners "get the gate" that: "There, but for the grace of God, goeth me." By that I mean that the errors of omission or commission which necessitated their dismissal were in many cases errors similar to some I had made, but which, by that same "grace," had not (as yet) been discovered. In other words, no losses occurred to bring them out of their repositories before some endorsement did or some other "call up," giving me a second chance, and, as I have many times discovered, giving others a second chance also.

It occurs to me that the managers and those immediately above the examiners—and their name is legion—do not fully appreciate the utter impossibility of thoroughly underwriting every risk that comes to them through the medium of a daily report or an endorsement. Regardless of go-getters, fast workers, underwriting geniuses, and the clatrap of a host of underwriting-high-school-maple-clerk-examiners, it is a physical impossibility for the average examiner to thoroughly do a complete day's work under existing conditions. He can either "jam" the work through hurriedly or let it ride and take a chance (with the company's money and his own job), hoping that tomorrow will be a light day, or he can get in early and work late, or Saturday afternoon or Sundays and jeopardize his health or his family if he has one.

Only a few weeks ago as fine and intelligent a young man who ever graced the business resigned a position here in Chicago as an examiner because he could not conscientiously continue and either by working 14 hours a day or not doing thorough work hold his job. Absolutely no effort was made to hold him other than the insult of a small increase in salary. This young man comes from a fine family. His father is engaged in the business, but he preferred to retain his self respect and to sacrifice his six years

that he had spent in the business. What a commentary on the fire insurance business and those in whose keeping it is! Sometimes I believe that the companies go on not because of the managers, but in spite of them, and those of us who remain are not entirely happy. We need the money or we cannot sacrifice the years we have put in. We feel better when the loss notices are all distributed and if we escape we are good underwriters. If something burns, some fool of an advanced underwriter can find a thousand reasons why we shouldn't have been on.

The companies risk their money and take many unnecessary chances by crowding the examiner with detail, by shoving on his shoulders the responsibility of making an underwriting profit, and then by every conceivable method daring him to do it; by paying him a salary that is enough to live on surely, but not enough to save on, not enough compensation for the obligations he assumes, just enough to keep him forever on the alert for the next opening that will enable him to squeeze a few dollars more out of his present job by threats, or if they won't come through, he can change and again cost his new company and his old one also, many, many dollars that obviously should not have been lost. Then he can repeat the performance "ad infinitum" until he dies or he makes the rounds of all companies.

If you tell these managerial Joves all this, they will tell you to raise yourself out of your desk job and quote something like: "It is not in our stars, but in ourselves, that we are underlings." That's bunk—pure unadulterated bunk! Let them give us more money and more help. An additional outlay of \$2,500 in increased salary and increased assistants in each field, with a competent man at its head making \$5,000 per annum, with sufficient leisure to "think" would save many a nasty loss and many a post-mortem on it.

said great patience and consideration have been shown by the national officers, and that every effort has been futile, Mr. Bassett being obstinate and unyielding.

The executive committee is empowered to take up with the National Automobile Underwriters' Conference the matter of the single interest policy to

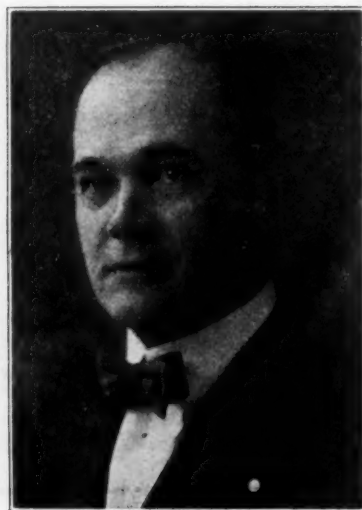
protect finance companies and let agents then insure the owners' interest.

O. G. Strong of Cleveland led discussion on compulsory automobile insurance legislation and the 75 bills introduced this year in 23 states. J. W. Stickney of Indianapolis spoke on the agents' opportunity to forestall adverse legislation by selling the public.

NATIONAL AGENCY EXECUTIVE COMMITTEE MEMBERS IN CHICAGO



BEN L. AGLER, Youngstown, O.



CLYDE B. SMITH, Lansing, Mich.



ALLAN KENNEDY, Fort Smith, Ark.



R. P. DEVAN, Charleston, W. Va.

MUST SECURE RESULTS FROM THE FIELD MEN

Companies Declare That the Expense Ratio Has Reached High Point

EFFICIENCY IS NEEDED

Officials Find That Many Special Agents Are Not Keeping Up With the Procession

NEW YORK, Apr. 20.—Company officials are commenting freely on some recent observations made in the "Journal of Commerce" of this city, on fire insurance field men. The "Journal of Commerce" very correctly stated that the companies in their readjustment process are carefully taking up and scrutinizing every item of expense. The figures for 1926 are being analyzed and it is found that while field men's salaries may have increased a trifle the expenses of field men have gone up .2 of 1 percent. These returns were made by representative companies and their figures quite generally agree. The question that company officials are asking is whether they are getting the full worth out of the services of field men counting the cost. The "Journal of Commerce" in its comment, says:

Comment by "Journal of Commerce"

"Criticism of fire insurance field men has been more than usually frequent of late and, although not always fair, indicates trouble ahead for those who fail to adjust themselves to changed conditions and meet the new requirements of their companies. Remarks made by company officials show that they have concluded that many field men are doing business as they used to when their companies wrote little besides fire and tornado insurance, and before expenses soared following the war.

"After years of underwriting loss the companies are doing all in their power to secure rate advances, to reduce losses through more careful underwriting, and to deal with the almost hopeless problem of increased expense.

"One important expense element is field supervision, the cost of which has been increased by the advance in railroad passenger rates and hotel charges since the war. Field men's salaries, of course, have had to be advanced with other salaries as the cost of living went up. It has now become a question whether the value of the services of an individual field man are worth what they cost the company. The answer in each case, of course, depends upon the value of the services and also upon the cost.

May Replace Expensive Men

"Only recently the chief executive of a company said that he is receiving an unusual number of applications for positions from field men of high standing, indicating that they have been let out or are about to be let out. This executive thinks this condition may be explained by the fact that field men who are receiving good salaries are also turning in large expense accounts, which make the entire cost of their services to their companies more than the companies think they are worth. He believes some of these men, at least, are to be replaced by younger men at lower salaries, who will supervise smaller fields, avoid long trips and be at home more nights every month.

"One of the chief complaints about many field men has been that they do not develop business for their companies in lines other than fire insurance. One executive stated recently that he had learned upon questioning field men of

this company that many of them had almost no knowledge of automobile, use and occupancy, rents and rental value and other side-lines written by the company, and seemed to think they were performing their full duty when they traveled about supervising and developing the fire business.

"While fire insurance has been unprofitable, many of these side-lines have been profitable, and the fact that a field man has neglected an opportunity to make money for his company makes a very unfavorable impression upon an executive who, for six years, has been trying in every way to make a fair showing in the face of adverse conditions. It is not surprising that in some instances he concludes that patience has ceased to be a virtue and looks about for somebody who will make larger returns for his salary and expenses."

Comment by an Executive

Naturally there are field men who are very conscientious in what they do and in the expense accounts they send in. Others evidently have not caught the spirit of the times and are extravagant in their operations. An executive in commenting on what the "Journal of Commerce" said makes the following points:

"I think that the main criticism is directed at those special agents who fail to see the change in conditions and are not trying to adjust themselves accordingly. Company officials, managers and others up and down the line ran riot during the palmy days of a few years ago. Business was easy to get, values increased, there was good money being made and as a matter of fact the insurance personnel was badly spoiled. We cannot say that the field men deteriorated any more than others. However, a new voice is speaking. Undoubtedly at the head and general offices the voice is sooner heard than it is in the field. It is louder. The field men, however, must appreciate the conditions. They must realize the demand that is coming from the financial headquarters stipulating that expenses be reduced and that everyone in the employment of a company do his utmost to render the best service.

"My observation goes to show that field men spend too much time about hotels and that they are too extravagant in their ways of living, when they are charging up their expenses to the company. They seek out good hotels and make too long trips to get to them. I do not think that they are spending their spare time in fitting themselves out for broader and more comprehensive service. I believe that the companies have been sending out men who are too young. We have overlooked the value of the older men. Companies have gone hog wild on getting youngsters and rating men in the field and they have not made the impression that we desired on bigger local agents.

Ceased to Be Students

"Furthermore, our men have not equipped themselves as they should in our diversified lines. Many have ceased to be students of the business. They have stuck to fire and tornado and are not well informed on the other lines that are being taken up and which are profitable. There are many field men who do realize the situation and they have conformed to modern conditions. On our own staff we have a number of hustlers, men who have studied everything they could get hold of on the lines we write. They are alert, enthusiastic and conscientious. We find that they are moderate in their expenses. They do not believe that entertainment expense that many field men are charging up is justified. Business is not gotten today on entertainment. Local agents want service and they want their field men to be of value to them. They feel that every field man that comes to a local agent's office should be able to contribute something to his welfare. Field men who are not cognizant of the new conditions and are indifferent will soon find themselves out in the cold."

Ask us another

1. What constitutes sole and unconditional ownership?
 2. How can I be sure my fire insurance protects me while my dwelling is being moved to a new location?
 3. What companies furnish hold-up insurance without residence burglary insurance?
 4. Can a New York broker write business in the State of Virginia?
 5. Who does a local agent represent first—his companies or his customers?
 6. What are State insurance funds?
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RALPH B. IVES, President

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EXCESS COVERAGE FOR TORNADO LINES SCARCE

Plan for Creation of Pool Has
Not Been Fol-
lowed

LONDON LLOYDS CAUTIOUS

Boost Rates on Such Treaties as It Is
Willing to Enter into
Again

NEW YORK, Apr. 20.—Nothing definite has been accomplished thus far looking to the suggested creation of a company pool for carrying tornado excess insurance, and the strong probabilities are that the idea will be abandoned, at least, until more interest be shown in the subject than has been in evidence to date. The pooling suggestion followed the declination of several of the strong home companies that formerly accepted excess coverages longer to continue the practice, and the almost coincidental refusal of London Lloyds to consider propositions save at figures that were deemed prohibitive.

Lloyds Hard Hit

As indicating the changed attitude of the London market toward a type of offerings once eagerly sought, it is reported that one of the New York companies that had been paying London Lloyds \$5,000 a year for an excess tornado treaty, was asked three times the amount, or \$15,000 when renewal of the arrangement was submitted a short time ago. London Lloyds was heavily hit by the damaging hurricane that struck Miami, Fla., and nearby communities last September, since which time it has been very conservative in viewing new propositions. Brokers specializing in excess coverage express confidence that the London market will weaken before long and that they can again arrange proper accommodations for their clients.

Demand Better Average

Prior to the tornado that visited southern Illinois with such serious result in March, 1925, excess treaties as a rule covered sections of the country where the windstorm hazard was deemed particularly severe. Because of their losses in Murphysboro and other Illinois and Indiana towns two years ago, Lloyds insisted that its contracts be extended to apply wherever the direct writing company was doing business, so that it would receive a larger premium and a broader spread of liability. This condition was made mandatory when the Illinois disaster was followed by the greater one in southern Florida last year, and convinced by these two happenings that hurricanes were no respecters of territory, the direct writing companies were only too ready to fall into line with the demand of the reinsurers.

Excess covers provide for the assumption of loss liability by the reinsurer beyond whatever figure the direct writing office agrees to be responsible for before it calls upon the excess cover. The percentage retention varies and excess cover rates are predicated partly upon the extent of the net retention, and again as to risk classification and the territory or territories in which the direct writing company operates.

Pooling Plan Dropped

The large tornado insurance revenue, of course, comes from the middle west. More than a year ago a pooling arrangement was proposed for that field; the submitted plan being that each member company would carry its own liability in a state up to the amount of

its premiums derived therefrom, the excess furnished by the pool then to become liable for a like sum and no more. Under such an arrangement a free writing office, of course, would have to stand for a heavy initial liability, before obtaining relief from its associates, a feature of the scheme that was not particularly appealing to some offices, with the result that the idea was dropped, companies falling back on individual treaties to save them from the catastrophe hazard.

SOME FEATURES OF THE WESTERN UNION RALLY

(CONTINUED FROM PAGE 5)

will not do anything toward covering these smudge losses.

The managers of the Royal and Queen were absent from the meeting, as both those in Chicago and Atlanta were in New York at the dedication of the new Royal building in New York and meeting the officials from abroad.

Hosmer Makes His Bow

R. C. Hosmer, vice-president of the Excelsior of Syracuse, which recently joined the Western Union, was present for his first meeting. Mr. Hosmer, however is well known to most of the members for he was a former field man traveling out of Chicago and was prominent in the organized activities. L. W. Grupe, who was formerly assistant western manager of the Northern of England and who has now gone to New York as western general agent, now that the office has been moved there, was also a newcomer at Union meetings. R. P. Barbour, United States attorney of the Northern, was on hand.

T. E. Gallagher Was Present

The only honorary member on hand was Thomas E. Gallagher, former western manager of the Aetna, who was on an eastern trip. He went to New York to visit his son Vincent L. Gallagher of the America Fore organization. James Victor Barry, vice-president of the Metropolitan Life, was in the hotel lobby on the day of the meeting. He wore a checkerboard vest that attracted much attention.

President F. R. Bigelow of the St. Paul Fire & Marine has seldom been at Union meetings, but he was on hand this year sporting his favorite pipe.

Will Meet at Briar Cliff

Lenox, Mass., has proved a very popular meeting place for the September gathering. There has been some dissatisfaction expressed as to the golf course, but otherwise the members have liked it. However, there was a disposition to go to Briar Cliff, outside of New York City, and that will be the place for the annual meeting. The Western Insurance Bureau is holding most of its meetings there and has found the place most satisfactory. This does not mean there will be any rapprochement between the two organizations, however.

At many conventions, the day before the convention opens has become very prominent so far as attendance is concerned. This is true with regard to the Western Union. On Monday there was quite a crowd at hand using the time for informal conversation and conference. Many use the day for sight seeing, golf, and other diversions, and others feel that much is gained by making contacts in the hotel lobby.

Retires from Coast Field

The Republic Fire of Pittsburgh has retired entirely from the Pacific coast field. It formerly operated in California, Oregon, Washington and Utah. It was in the Cobb general agency. The company desired to confine its activities closer home. It has also retired from Oklahoma, Indiana and Illinois, outside of Chicago. In the last two states it was in the general agency of W. P. Ray of Indianapolis. It continues in Colorado, Iowa, Minnesota, Wisconsin, Ohio, Michigan, Kentucky and Tennessee and the eastern territory. The company is moving along in very excellent shape.

CENTRAL WEST TORNADO SEASON STARTS EARLY

STORM IN SOUTHERN ILLINOIS

**Almost Score Die—Injuries Reported to
Exceed 100—Property Damage
Score Is Heavy**

The tornado season started early and severely this year, with a storm in southern Illinois this week reported to have killed 19 persons, injured upward of 100 and caused heavy property damage. Last year saw few storms of tornado proportions in this region, but this year seems likely to be bad.

The tornado of April 19 started a short distance north of St. Louis and swept northward past Springfield. Earlier a storm caused a number of deaths in northern Texas, Oklahoma, Missouri and Kansas.

The Illinois storm struck hardest in the counties of Calhoun, Green, Jersey, Macoupin, Morgan, Sangamon and Logan, blowing down houses and barns, uprooting trees and in a couple of instances completely leveling small hamlets.

The dead reported are: at Hardin, one; at Woodville, two; Wrights, five; Athensville, one; Kaser, one; Buffalo Hart, two; Laomi, one; Chestnut, two; Cornland, two; Mount Pulaski, two.

Lesser storms struck north and south of Springfield. These are not reported to have caused any deaths, but did great property damage. The towns most damaged are Vandalia, Centralia, Rockford, Kewanee, Mendota, Galesburg, Quincy and De Kalb.

In some sections the passing of the wind was followed by heavy hail showers, which destroyed plate glass, greenhouses, street lamps and other property.

RULE ON UNAUTHORIZED INSURING IS UPHELD

John R. McCarl, comptroller general of the United States, has approved in the case of a claim by the American Express Company the established rule that government officers ordinarily are not authorized to incur expenses for the insurance of public property. The basis for the rule is that the appropriations sought to be charged with the expenses are not available and it is the policy of the government to assume its own risks.

The case grew out of the insuring at Brussels, Belgium, of a number of boxes of balloon equipment by two officers of the United States Army Air Service. The carrier, in his application for review, stated that the American Express Company, Antwerp, would not have insured it without the authority of shippers, the representatives of the United States government, who handled the return of this equipment to the United States. The authorization by the officers named of the insurance on this shipment is not shown, and there is no evidence that such officers were authorized to incur the expense of insurance, which is contrary to the policy of the United States.

Motor Vehicle Figures

A mistake was made as to the premiums and losses of the Motor Vehicle Underwriters of Chicago in the automobile number of this paper. The total net premium income for last year was \$410,339, which showed an increase of \$24,135 over the year before. The losses were \$169,350.

Automobile Covers White House

The Automobile of Hartford has been extended the recognition of being an insurance carrier for both fire and tornado insurance on the White House in Washington, D. C. It is very seldom that any insurance companies participate in liability associated with government buildings.

Local Agent Presents Some Observations on 1926 Loss Experience

ONE of the well informed local agents of the mountain field comments on the loss experience last year, giving some observations that are worth considering:

"Observation of the 1926 loss experience seems to indicate that there is still a large amount of slack existing in underwriting methods. Whether this condition should be charged to home office management or against the field, is still a much debated subject as the underwriting loss would indicate that no definite solution of the unfavorable situation has been found.

"The writer believes that one of the contributing causes of this unsatisfactory loss record can unquestionably be found in the high pressure system used by the large brokerage houses in compelling companies to accept business on the wholesale plan regardless of the consequences to themselves, the principles of consistent underwriting being entirely submerged. Practically little or no supervision is given such business for the reason that the company's field man has no prerogative in the matter and cannot exercise his judgment in an effort to discriminate, for fear of losing favor with the source of the business. As a consequence inconsistent forms and rates are approved at the home office and the degenerative classes of business that are accepted, help pile up losses and the regrettable part of it all is to be found in the unsatisfactory loss record which appears against the state in which such business is written rather than the seat of its acceptance.

GENERAL MOTORS ACTIVE IN GETTING RENEWALS

(CONTINUED FROM PAGE 3)

extent of the lien. If therefore an owner desired to go to his own local agent to protect his own interest, he had a perfect right to do so. The agents were told that owners desiring collision, property damage and liability could seek out their agents and these lines could be written in the usual way.

Matter Becomes Important

Now that the General Exchange is going after the renewals by letter and is actively seeking to extend the insurance for another year, the subject becomes of prime importance.

The committee decided to draft a statement, giving the insurance side of the question and bringing out the fact that owing to recent developments there is a similarity between the General Exchange and the Chrysler-Palmetto insurance scheme, inasmuch as local automobile dealers are concerned in effecting both the sale of the automobile and the insurance contract. In other words the dealers become a factor.

Position of the Dealers

The position will be taken that when a dealer sells a car, he automatically sells the insurance. The officers of the state associations of insurance agents were asked to secure as much information as possible as to the means of closing contracts whereby General Motors cars are sold. If they find that the dealers in selling these cars are in violation of the state laws which require licenses for selling insurance, the matter should immediately be brought before the state insurance department. The general feeling is that the local dealers are in effect insurance agents.

General Motors Cars

The General Motors cars are the Buick, Chevrolet, LaSalle, Oakland, Cadillac, Oldsmobile, Pontiac and the G.M.C. trucks. The General Motors also controls the Yellow Manufacturing Company. Therefore, some of the more important and widely popular cars are involved.

AMERICAN AUTOMOBILE INSURANCE COMPANY

ST. LOUIS

L. A. HARRIS
PRESIDENT

ALL KINDS
of INSURANCE
on AUTOMOBILES

CAPITAL & SURPLUS . . \$2,525,401.25
RESERVES 6,579,937.74
TOTAL ASSETS (JAN. 1, 1927) 9,105,338.99



The Big Spring Parade Commences

THIS is the day of motorcars. Along countless highways and city streets of the nation they roll in a seemingly endless procession. And this stream is constantly augmented by new cars from the factories.

Motorists have no easy road to follow now-a-days, for the inexperienced cause traffic jams and reckless drivers run amuck. Thieves, fires and storms add to the peril. The many dangers encountered by autos on the road and off, are summed up in the insurance covers offered as protection:—Fire, Theft, Collision, Property Damage, Liability; also Windstorm, Hail, Earthquake, Explosion and Water Damage. All take their toll. And then severe financial loss strikes the owners unless insurance is carried.....Complete coverage should be sold to as many motorists as possible.

Agents of the Harmonia Fire Insurance Company provide their clients with sure protection against all of these hazards.

Progressive, well qualified agents, will do well to consider representation in their agency for the

HARMONIA
Fire Insurance Company
NEW YORK OFFICE
59 MAIDEN LANE

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The only manual that is complete
COMPLETE—Rules, rates and instructions for all coverages applicable to automobiles of all types.
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Quotations gladly submitted upon request, stating quantity required and district covered.

AUTOMOTIVE SERVICE BUREAU
210 South Hanover Street Baltimore, Maryland

REVIEW OF AGRICULTURAL CONDITIONS IN TEXAS FROM HAIL INSURANCE ANGLE

By L. G. SPILMAN
Hail Manager, Cravens, Dargan & Co.

THE money crops insurable in southern and southeastern Texas are citrus fruits, cotton and truck. In eastern and northeastern Texas are cotton, peaches, tomatoes and berries. In the central and north central part will be found wheat, cotton, oats and peaches. In the western and northwestern part, wheat, cotton, oats and barley are the principal money crops.

It is estimated that in the year 1879 only 2,000 acres of wheat were planted in the entire state. Since that time the wheat acreage has steadily increased; and in recent years the increase has been very rapid, especially in the west and northwest. Each year new land is being broken to swell the total acreage of this section. Of the total hail insurance written on growing crops in Texas, approximately 56 percent of it is written on wheat in the northern, northwestern and western parts of the state.

Wheat Sections Little Affected

Since the wheat crop is such an important factor in the hail insurance business in this country, it is interesting to know that in those parts of the state containing the largest wheat acreage agricultural colleges report the crop more free from the many ills such crops are subject to than in any other section of the state. In the wheat belt Red Rust and Black Rust are very seldom seen doing material damage. Some Red Rust is noticed every year, but the damage it does to the wheat is not much. The Hessian fly is a stranger in the state, and never has been caught doing great damage. The various root troubles are not found to any great extent where the rich and productive soil has been properly tilled and moisture is not lacking.

Wheat Acreage Increased

In the west and northwest one factor which caused an increase in the wheat acreage last fall was the acute cotton situation with the resultant tightened financial condition. Also it is to be remembered that while the above remarks regarding grain crops generally apply to the well defined great grain belt where wheat thrives, an entirely different situation will develop in those parts of the state where cotton has been grown for a number of years and has been followed by wheat.

Wheat following cotton, it has been noted, does not grow so well. Clean cultured cotton land is subject to greater erosion. It will "blow" more than the tighter lands. Therefore, wheat grown on cotton land is likely to suffer for want of the plant foods due to the weakened condition of the soil. The result is a small stalk with a poorly filled head. Of course, exceptions to this will be found, but the majority of wheat fields where the crop has followed cotton will have several different ailments, mostly due, I think, to conditions of the soil. In this connection it has been noted that the soil is spotted where cotton has been grown successfully. In tracts of land of even less than 80 acres several different classes of soil have been found, with different subsoils to match.

Subject to Greater Damage

One reason we should be interested in this condition is that in such fields where wheat is grown, the plant, requiring lots of moisture, is handicapped because a porous subsoil has allowed the moisture to get away. Accordingly, "hot spots" are to be seen in different parts of the field, and these "dry spots" are especially susceptible to damage by hail. A slight hail will break these small dry stalks when the damage will not be noticeable in the other parts of the field. Such a field presents a diffi-

cult problem to the ablest adjuster, and great care should be given claims in such fields.

Fields Bad for Wheat

In addition to the diseases found in wheat grown fields previously devoted to cotton, it has been found that insects do more damage to the wheat in such fields than to wheat grown on land which has not been previously planted in cotton. The general reason for this is that the turned-under cotton stalks have provided a better winter home for the insects. The cut worm and joint worm seem to work more actively here than elsewhere and to do more actual damage. Also the grasshopper is found in larger numbers and does more damage.

One other insect that damages wheat in Texas is the green bug, but he seems to prefer no particular section of the state. He usually follows continued wet weather and enjoys the crops that have wintered best. This fellow has already been heard from in Texas this year, but only in a comparatively small portion of the state.

Mistaken for Hail Damage

Another very important feature to be noted is the damage to wheat caused by late frosts and freezes. The resultant visible damage which does not appear until weeks later is frequently and easily mistaken for other ailments; and sometimes it is thought to have been caused by hailstorms. No authority has yet fully explained the far-reaching effect of a late frost or freeze on the young wheat plant. At first thought it would appear that a crop with any portion damaged would show the entire crop to be damaged since it undoubtedly received the frost or freeze in its entirety. However, wheat plants in the early spring are not of a uniform growth, even in the same field. So the more advanced plants are the ones damaged by frost and freeze while the smaller plants will take the punishment with less damage. In some cases there is no apparent damage at all, but it becomes evident later when the head appears.

Little Cash for Premium

The question of credit is about the same in the various localities. It has been estimated that the Texas farmer has only about 7 percent of his annual cash receipts coming in during the months of April, May and June. Since these months are the ones in which the largest volume of hail business is written, it is easy to understand why it is almost impossible for the farmer to pay cash for his hail insurance policy.

S. E. U. A. WILL UNVEIL MEMORIAL TO FOUNDERS

At New Holland Springs, Ga., on May 17, there will be unveiled a large tablet to the memory of the 12 pioneers who met there in 1882 and founded the Southeastern Underwriters Association. The names of the founders are embossed on the tablet, which will be placed in a suitable setting on the site of the organization meeting.

The executives of the head office in Atlanta of the S. E. U. A. as well as the heads of many of the fire companies that are members of the association will be present at the ceremonies, marking the 34th anniversary of the S. E. U. A.

The executive committee of the S. E. U. A. decided at a meeting in New York last week to hold the annual meeting of the association at Briarcliff Lodge, N. Y., early in June.

Adolph Reutlinger of Reutlinger & Co., Louisville, has been elected a director of the Louisville Elks.

FIRE RETURNS BY STATES

Net Premiums Received and Losses Paid Last Year in the
Various Commonwealths

F.—FIRE INSURANCE. T.—TOTALS

INDIANA

	Net Premiums	Losses Paid
American M., Ind. F.	41,732	25,372
..... T.	56,921	29,873
Atlas M., Ind. F.	2,818	1,865
..... T.	3,307	2,033
Citizens M., Ind. F.	13,104	.....
Farm. Coms. M., Ind. F.	15,858	7,188
Fidelity M., Ind. F.	27,787	14,457
..... T.	27,462	15,321
Gr. Deal. Nat. M., Ind. F.	104,531	98,119
..... T.	130,441	106,496
Home Mut., Ind. F.	3,422	398
Ind. Lumb. M. F.	77,108	15,032
..... T.	87,767	15,837
Ind. Ref. Merch. F.	52,613	23,299
Ind. Union M. F.	17,602	5,975
..... T.	20,837	8,280
Mich. City M., Ind. F.	1,514	.....
Natural Fire, Ind. F.	16,346	5,724
Pioneer M., Ind. F.	315	.....
Rockcreek Twp., Ind. F.	996	432
Rockcreek Equit., Ind. F.	2,210	.....
..... T.	2,271	.....
Merchants, Ind. F.	48,810	29,398
Atlas, Eng. F.	53,339	29,816
..... T.	68,148	33,296
Brit. America F.	21,075	11,793
..... T.	24,838	12,651
Caledonia F.	81,341	39,082
..... T.	77,417	45,473
Century, Scotland F.	1,503	4,033
..... T.	1,567	4,033
Christiania Gen. F.	70,682	24,880
..... T.	74,712	25,060
Com. Va., Eng. F.	146,837	122,273
..... T.	182,942	127,641
Eagle Star & B. D. F.	35,096	34,528
..... T.	42,550	37,227
General, France F.	3,253	2,837
Indem. Mut. Marine. F.	8,787	6,075
Law L. & Rock. F.	21,502	6,108
..... T.	26,039	6,231
L. & L. & G. F.	188,219	116,691
..... T.	255,379	187,768
London F.	51,086	26,681
..... T.	76,455	33,770
London & Lanc. F.	76,163	49,647
..... T.	98,207	54,093
London & Scot. F.	5,890	1,408
..... T.	7,728	2,301
Marine, Eng. F.	2,380	120
Netherlands F.	26,827	9,381
..... T.	72,750	49,058
N. Brit. & Merc. F.	142,457	53,605
..... T.	166,515	67,978
Northern, Eng. F.	145,945	96,136
..... T.	168,186	72,742
Norwich Un. F.	65,134	46,501
..... T.	76,744	47,785
Palatine F.	43,184	28,011
..... T.	51,323	28,982
Prudential F.	30,559	13,977
..... T.	32,875	14,050
Royal Exchange F.	64,809	25,109
..... T.	79,943	28,640
Royal F.	185,894	68,806
..... T.	226,194	81,587
Scot. Un. & Nat. F.	80,768	30,334
..... T.	98,569	32,512
Stand. Marine, Eng. F.	124	27
..... T.	12,933	97
State, Eng. F.	15,253	970
..... T.	74,263	29,021
Sun, Eng. F.	96,997	33,308
..... T.	21,953	2,957
Sven F. & L. F.	21,963	2,972
..... T.	23,673	20,797
Tokio M. & F. F.	31,474	23,821
..... T.	41,307	28,113
Union, Eng. F.	49,602	38,466
..... T.	19,631	10,102
Union, France F.	19,631	10,102
..... T.	32,623	25,953
Union of Canton. F.	31,421	36,808
..... T.	2,336	316
Union Marine F.	15,777	50,354
Urban, France F.	78,374	53,005
..... T.	24,294	11,572
Western, Canada F.	29,808	13,190

	Net Premiums	Losses Paid
World Auxiliary F.	11,482	3,353
..... T.	12,628	3,372
Yorkshire F.	15,258	3,100
..... T.	27,627	12,577
Old Colony F.	31,061	9,248
..... T.	38,524	9,888
Orient F.	65,317	20,326
..... T.	82,233	32,183
Pacific F.	18,920	25,102
..... T.	24,551	31,754
Patriotic F.	11,913	399
..... T.	12,881	494
Pennsylvania F.	108,721	41,110
..... T.	131,400	43,596
Peoples National F.	17,000	3,943
..... T.	18,617	1,311
Phila. F. & M. F.	15,844	11,351
..... T.	34,681	14,520
Phoenix, Conn. F.	186,203	72,364
..... T.	224,834	78,140
Presidential, Ill. F.	6,677	5,360
..... T.	7,025	6,528
Provident, N. H. F.	527	7
..... T.	798	11
Providence Wash. F.	95,376	29,278
..... T.	118,607	43,806
Queen F.	163,992	78,005
..... T.	209,157	96,318
Phoenix, Eng. F.	62,658	30,146
..... T.	74,322	31,625
Potomac F.	3,947	276
..... T.	14,072	2,688
Reliable, Ohio F.	20,438	8,643
..... T.	20,604	8,652
Reliance, Pa. F.	10,521	4,304
..... T.	11,725	4,304
Republic, Pa. F.	36,875	33,403
..... T.	41,305	34,142
Rhode Island F.	49,604	22,516
..... T.	55,830	23,714
Rocky Mountain F.	404	705
..... T.	419	720
Rossia F.	149,973	94,753
..... T.	206,744	138,750
Safeguard F.	18,599	2,627
..... T.	24,080	3,896
St. Paul F. & M. F.	153,928	88,598
..... T.	241,581	116,657
Security, Conn. F.	142,743	83,899
..... T.	175,021	93,617
Security, Iowa F.	15,058	11,598
..... T.	17,262	12,600
Sentinel F.	5,000	3,959
Springfield, Mass. F.	258,357	119,029
..... T.	341,266	137,030
Standard, Conn. F.	16,385	12,615
..... T.	18,512	12,763
Standard, N. J. F.	33,241	24,338
..... T.	63,113	24,927
Star F.	35,505	19,181
..... T.	48,316	23,020
Stuyvesant F.	24,156	22,866
..... T.	25,815	23,484
Superior, Pa. F.	47,975	21,202
..... T.	52,830	21,955
Transcontinental F.	3,010	29
..... T.	13,952	458
Travelers Fire F.	172,081	29,947
..... T.	208,409	40,264
Twin City F.	29,554	8,058
..... T.	31,246	8,155
United American, Pa. F.	3,895	2,694
..... T.	4,063	2,703
United Firemen's, Pa. F.	5,210	556
..... T.	5,957	844
United States F.	211,355	107,319
..... T.	262,368	120,569
U. S. Merch. & Sh. F.	20,992	5,207
..... T.	43,108	18,668
Victory, Pa. F.	8,213	6,491
..... T.	11,087	6,433
Virginia F. & M. F.	19,132	8,101
..... T.	21,529	8,196
Westchester F.	121,790	121,694
..... T.	138,382	138,809
Wheeling, W. Va. F.	11,044	7,266
..... T.	11,364	7,275
World F. & M. F.	21,273	13,721
..... T.	29,883	14,404
Potomac F.	3,947	276
..... T.	14,072	2,688
Farm. & Merch., Ind. F.	20,790	11,722
..... T.	25,282	13,348

INSURANCE STOCKS ARE
NOW BEING ACQUIRED

NEW YORK, April 20.—Stock of the following companies has been purchased by the Insurance Shares Corporation recently formed in New York City: American Surety, Bond & Mortgages Guarantee, Connecticut General Life, Fidelity & Deposit, General Reinsurance, Hartford Steam Boiler, Massachusetts Bonding, Metropolitan Casualty, National Surety and New York Indemnity. Others in the series are the Preferred Accident, Travelers, United States Fidelity & Guaranty, United States Guarantee, Boston, Continental, Fidelity-Phoenix, Hartford Fire, Home, North America, National Fire, Phoenix of Hartford, Providence-Washington, Security of New Haven and the Springfield Fire & Marine. The Insurance Shares Corporation, as its title im-

plies, will issue certificates to investors, the underlying security being the stocks of carefully selected insurance companies of all types. The management of the corporation is in the hands of a number of men prominent in underwriting circles and excellent judges of insurance company stock values.

Announce Judges for Contest

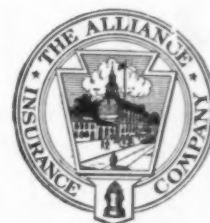
The judges of the contest conducted by the Insurance Advertising Conference for the trophy donated by "Rough Notes" and the "Insurance Salesman" will be Clarence Axman, editor of the "Eastern Underwriter," who will act as chairman of the committee; Frank L. Gardner, president National Association of Insurance Agents, and Griffin M. Lovelace, vice-president of the New York Life. The judges will meet immediately after May 1 and the award will be made at the Hartford convention.

The
Alliance Agent
is
Advertised

THE Alliance Agent, meaning each agent representing this company, is consistently presented to the public as an insurance counselor, by the Company's advertising.

This advertising appears in The Saturday Evening Post, the most widely-read publication of high class in the United States.

The effect of this advertising is to direct property-owners to the Alliance Agent, for the services he renders.



THE ALLIANCE
INSURANCE COMPANY
of PHILADELPHIA



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
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LEASEHOLD,
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RIOT and CIVIL
COMMOION,
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PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

PRESTON T. KELSEY *President*

WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, *Manager*

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY, *General Manager*

In the city of Dublin, Ireland, over a century ago The Patriotic Assurance began to write fire insurance on dwellings. A little over a hundred years before a fire insurance company was organized in London and was doing business under the name, The Sun Insurance Office.

Today both companies are under the same management. The century old Patriotic Insurance Company whose forbear was the Patriotic Assurance Company of Dublin has back of it all the resources and experience of the oldest fire insurance company in the world.

Two hundred and seventeen years of underwriting experience is at the disposal of Patriotic agents.

LOCAL AGENT MAKES STRONG PLEA FOR USE OF REASON IN UNDERWRITING

THE Insurance Service Agency of Duluth, through Donald K. Harris, secretary and manager, has sent a letter to each of its companies together with a copy of the editorial, "What Price Caution," which appeared in a recent issue of THE NATIONAL UNDERWRITER. The agency makes a strong plea for sanity and stability in underwriting practices, quoting with approval the editorial which points out the folly of the extreme caution of the companies at the present time, and their unwillingness to accept reinsurance even on high grade business. The letter sent out by the Insurance Service Agency is as follows:

Opposed to Extremes

"The enclosed editorial from THE NATIONAL UNDERWRITER treats a particular phase of a question which has given us considerable concern, namely, the drastic change in underwriting policy by all the fire companies. Being naturally a bit conservative, we have deprecated drastic changes. The horizontal jumps and cuts in auto fire and theft rates illustrate the tendency to go to extremes and the present underwriting upheaval is another case in point.

Makes Appeal for Sanity

"Primarily a casualty man, the writer still appreciates the necessity for calling a halt on jumbo line tendencies which had, no doubt, gone too far. Our plea is merely for sanity and a long view ahead. That the very companies who went furthest in encouraging the agents to use jumbo capacity should be apparently the least conscientious about the disturbances caused their good agents by so sharp a refusal, is a sad commentary on the tendency of the human mind to emulate the pendulum.

Need Middle of the Road Attitude

"Surely there is a right middle of the road attitude, which, though it must necessarily yield somewhat to the trend of the times, would produce better results year in and year out and not delude the agency forces into a line-up of representation which would fit the situation only so long as the particular phase might last. When the fire companies take such action as the auto rate adjustments above mentioned, the direct and reinsurance line attitude which is

now being carried to apparently so ridiculous an extreme and adopt a scale of collision rates in defiance of casualty company experience, which has disrupted settled conditions in this field in agencies all over the country, we often wonder how far they consider the effect of such changes on their agents.

Agency Is Underwriting

"Our concept of our relationship with you involves taking your welfare into consideration at all points. Recently we have adopted the most stringent rule calling for an initial approval of one of three persons in this office on every acceptance. If the case is not known to be acceptable, a credit report is received. We have even arranged with our credit bureau to give a general report, including fire record, instead of a mere credit report. Thus, if our record in the next few years is not good, it will be because of physical, not moral, conditions and because of a possible discrepancy between hazard and local average rate as a measurement thereof. With these facts before you, can you not impose a considerable measure of confidence in our commitments for you?

Should Reduce Correspondence

"In this connection, the writer has always felt there is far more correspondence than there should be between an agency, such as ours, and the companies, such as we represent. We have long felt a tremendous amount of time could be saved for all our companies and for ourselves if the underwriting departments understand that we endeavor to do much of the underwriting at the source. A set of general instructions as to the information desired for reinsurance and other purposes, which would not occur at once to an agent, would, no doubt, be of help to both of us.

Scramble for Underwriting Profit

"In your scramble to make an underwriting profit to add to the nice banking profit which every well conducted fire insurance company seems to make year after year, have you thought what the agent is up against with a decreasing rate and increasing expenses of every sort? This is a plea for consideration, which, of course, should be mutual, and for a broader view and is submitted with our best wishes."

OHIO MILLERS HAS ITS LICENSE REVOKED

The license of the Ohio Millers Mutual of Columbus, O., has been revoked by the Massachusetts department. The insurance commissioner states that this action was taken because the financial status is not satisfactory and that the surplus has reached a point below that deemed safe by the department. The Ohio Millers has been licensed in Massachusetts for a number of years.

President J. C. Adderly of the company was in Chicago Tuesday. He stated that he had been given no hint as to the action of the Massachusetts department until the company received formal notice. He stated that it seemed unprecedented for a department to revoke a license without some hearing. President Adderly said that he understood that some three or four licenses of other mutual companies had been revoked. He left Tuesday noon for Boston to look into the matter. Mr. Adderly said that the Ohio department had made a searching examination of the company and made its report last fall, giving it ample surplus to carry on its activities. Since then there have been no developments to reduce the surplus.

Agents Honor Judge Conn

Officers and leading members of the Ohio Association of Insurance Agents gave a complimentary dinner in

Columbus to Judge Harry L. Conn, retiring state insurance superintendent, before he left his office. President E. J. Bundenthal of Dayton presided at the function. The arrangements were made by Secretary W. H. Tomlinson of the organization. A number of agents from different sections of the state were present.

Fire Waste Contest Entries

Following are the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States: Portland, Me.; Crowley, La., and Eugene, Ore.

Ruling on Warehouse Receipt

In a decision appealed from the United States court for China, in which the Globe & Rutgers was a defendant, the United States court of appeals for the ninth circuit holds that the deposit of warehouse receipts as collateral does not invalidate an insurance policy, notwithstanding a provision that if the insured property pass from the insured otherwise than by will or operation of law the insurance ceases. The question grew out of Chinese business customs.

"What is High Criticism? Well, for one thing, it claims that our first parent, Adam, never was; that he was another man with the same name."

DEFENDS THE ENGINEERING AND SERVICE DEPARTMENT'S FUNCTIONS

THE following case for engineering and service departments, refuting the charges made in recent criticisms of their relationship to the fire insurance business, has been sent THE NATIONAL UNDERWRITER by a subscriber who believes the engineer is at present a much maligned and misunderstood individual:

Called "Rate-Reducers"

"In several of the recent issues of your paper there have appeared some severe criticisms of the engineering and service departments maintained by many of the fire companies. Some of these have come from prominent company officials and others have apparently been written by members of your own staff. All have quite obviously been designed to 'show up' engineering departments and have ascribed to them numerous evils of the business. These critics have said, in effect, that engineering departments are in reality nothing but rate reducers, that they disturb agents, that they are manned by men who have not the selling instinct but who are almost wholly technicians and that the activities of engineering departments in general have contributed largely to the increase in the loss ratio. It has been added that most engineering departments are being either curtailed radically or eliminated entirely. Engineering departments, your articles have declared, are now looked upon as an expensive burden, a luxury, and not justified by the expense they entail.

Charge Is Denied

"Thus has the gloomy picture been painted. No one, so far as I have been able to observe, has undertaken to contradict any of these statements. As the case stands at the present time, engineering and service departments have been given a black eye. They have been placed in disrepute. They are described as being on the toboggan. Maybe they are and maybe they are not, but don't you think that something regarding the other side of the question might be said? We have been taught to believe that there are two sides to any question, and so there must be two sides to this one. Is there anything to be said in defense of these engineering and service departments and if so, what is it?

"So that there may be no misunderstanding let me say at the outset that I am writing this to you for the purpose not merely of defending and justifying engineering departments but of convincing you absolutely, provided you are open to conviction, that they are necessary, beneficial, and fill an important place in our business. The properly operated engineering department is just as important a part of a fire insurance organization as the accounting department. I say 'properly operated' because there are numerous, so-called departments of this kind which succeed only in irritating agents, confusing assureds, and piling up expenses for their companies that are in no way offset by results achieved.

Describes Real Engineer

"Suppose, then, that we consider first what a real, correctly conceived, engineering and service department is. In my opinion, it is one which has agency good-will as its object and whose engineers act entirely as engineers for the agency that they serve. That is, all of the reports and data prepared by the engineers of any company should be presented to the assured on the agent's letterhead. The name of the company should not be shown any place. The assured should get the impression that the engineer is an attache of the agency, that it was through the agency's initiative that he prepared the report, and at no stage of the game should the assured be permitted to feel that he is dealing direct with the company.

"Here is what I mean as clearly as

I can give it. The agent goes to the assured with the company engineer and says, 'Mr. Factory Owner, this is Mr. Jones, an engineer that I have brought down from Chicago at considerable expense to go over your plant. He is going to make a survey of your property and draw up a report that I will submit to you. He is going to go over your whole plant from an engineering standpoint and find out just what your insurance needs are. Mr. Jones will turn all of this data over to me and then you and I can see just where you stand.' The engineer then proceeds to go to work and after he has completely surveyed the risk and submitted his information to the agent he disappears from the scene. From that point on it is up to the agent. Such an engineer does not intrude. He does not try to tie up his company with the assured direct. He does not try to go over the agent's head. He merely acts just exactly as he would if he were a direct employe of the agency. This is certainly maximum agency service, but it

is the kind that any correctly operated engineering department should give.

Is Agent's Safeguard

"The work of the engineer in its entirety should consist of a thorough inspection of the property, coverage analysis for complete protection against loss; recommendations for fire prevention and safety; rate analysis for savings in insurance costs, and advice to builders and architects on construction plans and assistance to agents on special lines of underwriting. An assured has a right to expect all of this and he has the further right to expect it from someone who knows what he is doing. The average agent is, on his own confession, unable to do all of this. So is the average field man. So is the average employe of a state inspection bureau. But the large city broker is very much able to do it. Not only is he able but he is willing and eager. If the local agent cannot provide this sort of service he is going to lose it to the big city broker who can. He has lost it to the big city broker in hundreds and even thousands of cases in the past. Accordingly, in operating its engineering and service departments, the companies are providing agents primarily with the weapon with which they can defend their business against the inroads

of large city brokers. Anyone with an open mind must admit this to be true.

Engineers Not at Fault

"Is there anyone who seriously believes that if all engineering departments were eliminated the efforts of local agents and field men to reduce rates through the recommendation of improvements would cease entirely? Before any engineering departments were in vogue local agents and field men were taking up with assureds rating questions, improvements, etc., but they were doing it very much less intelligently than engineering departments are today. They were doing it principally because they felt that they had to do it in order to compete with the activities of the big city brokers who were so well equipped to do it. All that has happened is that this work has been concentrated into the hands of engineering departments, thoroughly capable of doing it, with the result that agents are being much better served and the activities of big city brokers, who formerly excelled at this work, have been very much reduced.

Make Good Impression

"It seems to me that it is extremely important that this kind of service be given by men who are in every way



As Poor Richard said,

"When the well is dry, they know the worth of water"

And when your client's policy expires, let not the well of Insurance Protection remain dry. For, as Poor Richard would say, *Misfortune favors those who, once prepared, have let their preparation for defense decline.*

Too frequently an assured does not give sufficient attention to his expiration dates. Therefore, it is your business to see that he does not become unprotected by a lapse of his insurance. Keep him informed when

the well is going dry. Beside retaining his renewal, you will keep his good will as he will have that feeling of safety arising from your interest in his insurance welfare. *This, as Poor Richard would claim, is worth more as it withstands the test of time.*

So, too, is the reputation of the companies which you represent enhanced by age. And age is a factor worth mentioning when you are telling your prospect about The Franklin Fire.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by representation of The Franklin Fire.

The FRANKLIN FIRE INSURANCE COMPANY
of Philadelphia
Organized 1829



qualified to do it. Big assureds form one kind of an opinion or another about the insurance business largely through the men that discuss insurance with them. An engineer who knows his business cannot fail to make a good impression. By what he says and does he can convince the assured that he knows what he is talking about, and that he is in a position to help and to help intelligently. Most local agents are admittedly not nearly so well equipped as engineers. Because they are not we have engineering departments. Accordingly, the men that man these departments aid the agent materially in creating a favorable and friendly contact with the assured. They convince the assured that they understand his problem and can help him with it.

Are Not Rate Reducers

"What the engineering departments are doing for unsprinklered and smaller risks the factory associations and sprinklered risk associations are doing for the large sprinklered risks. What is the difference? If the engineering departments are an evil what about these associations that are whittling down the rates on large lines and whose activities are reducing the premium receipts of companies very much more than the engineering department?"

"It is a mistaken notion anyway to claim that the engineering department's principal function is to reduce rates. As a matter of fact I suppose that in 80 percent of all of the risks that are 'engineered' or 'serviced' no recommendations for improvements are made because no improvement is necessary. Fire prevention and safety recommendations, however, may be made. A great deal of advice may be given to the assured about the handling and operating of his plant, but very frequently no recommendation for installing improvements that will result in a direct reduction in rates is given. In other words, these engineering departments are rendering a broad, underwriting service that is primarily designed to serve the best interests of assureds, and if rate reducing recommendations are made they are offered because they will improve the whole character of the risk, not only from the standpoint of the assured but from the standpoint of the company carrying the line as well.

Underlying Condition

"My own opinion is that there would be no necessity for any company operating an engineering or service department if it were possible for the various state inspection bureaus to employ the kind of men who could do the work in the way that the privately employed engineers are doing it at the present time. We all know that the inspection bureaus have a peculiar problem facing them so far as the employment of competent men is concerned. As soon as they get a man trained to the point where he is especially efficient some company picks him off at a higher salary than the bureau can afford to pay. This thing has been going on for years. But if it were not the case, and if the bureaus were able to employ the same kind of men that the companies use in their engineering departments this whole phase of our work could be conducted by the inspection bureaus. That would be the ideal way to take care of it. But because it is not and because it cannot be we have the engineering departments and my prediction is that we are going to have more instead of less of them. I think that the engineering departments that have been conducted without regard for the local agents have given a black eye to the whole list of engineering departments, but I also think that those that are being conducted along the proper lines are serving the business in an important way, that they have justified themselves and that they are decidedly a benefit to our business."

Frank C. Riker, of the Frank C. Riker Co., Council Bluffs, Ia., has sold his interest in the business to Fred G. Johnson, with whom he has been associated since 1922. Mr. Riker's plans for the future have not yet been announced.

CHANGES IN THE FIELD

SECURITY REARRANGES FIELD

New Appointment Announced for Arkansas and Tennessee, Relieving Other Field Men

Due to the rearrangement of territory made necessary by their expanding business, the Security of New Haven and the East & West announce the appointment of Harry N. Taliaferro as special agent for Arkansas and Tennessee. Mr. Taliaferro is very well known to agents in these states having traveled the territory for the W. L. Nelson & Co. general agency of Memphis.

Special Agent E. O. Redwitz of Harrodsburg, Ky., will by this rearrangement be relieved of Tennessee and in the future will supervise the activities of both companies in Kentucky only. Special Agent H. B. Griffin relinquishes Arkansas to devote his entire time to Louisiana and Mississippi.

Troy E. Barnes

Troy E. Barnes has been appointed state agent in Arkansas for the Milwaukee Mechanics. Mr. Barnes has been in the field for about eight years and has had considerable experience in the south. His headquarters will be at Little Rock, and the address for the present is 415 West Markham street.

Louis A. Riemann

Louis A. Riemann, state agent of the State of Pennsylvania in Iowa and Nebraska, has resigned as of May 15. As already announced, Victor H. Miller, who was formerly special agent of the Springfield in Iowa, has been secured as his successor.

Charles P. Banghart

Charles P. Banghart will on May 1 become special agent for the Scottish Union & National in western New York. At present he is traveling that state for the Employers Fire of Boston.

Gordon C. Head

Gordon C. Head, for some years state agent at Louisville for the Rhode Island, has resigned on account of a long siege

of rheumatism and will go to Mineral Springs, Tex., for a rest, after which he will visit a brother who is in the insurance business in Texas, prior to returning to Kentucky. Mr. Head is past most loyal gander of the Kentucky Blue Goose and former president of the Kentucky & Tennessee Field Club, composed of the Bureau field men.

E. A. Ingalls

E. A. Ingalls, who has been Wisconsin state agent of the Keystone Underwriters and Superior, has been appointed manager of the automobile department of the Firemen's and affiliated companies in the western department at Chicago. He succeeds Oscar Englehard, who has gone with the Chicago local agency of Englehard, Krogman & Co. He is a nephew of H. H. Englehard of the Englehard-Krogman agency.

M. L. Degenaar

M. L. Degenaar, who has been Michigan state agent of the Concordia, has been appointed state agent in Michigan of the Pittsburgh Underwriters outside of Wayne county. He will continue to handle the Concordia as before. In the past the Pittsburgh Underwriters has operated in Michigan through the Charles N. Roe general agency, which arrangement has been discontinued. Dan R. Simmons, who is Wayne county manager of the Girard and the Firemen's, will in the future also handle the Pittsburgh Underwriters in Wayne county.

Frank H. Ray

Frank H. Ray, who recently resigned as special agent of the Queen in Missouri, has gone with the Insurance Producers Bulletin of Chicago as a personal producer.

George C. Hays

Horace Hays has bought the Hays Insurance Agency at Elizabethtown, Ky., formerly owned by George C. Hays, A. L. Keith and R. E. Day. The new owner will continue operation under the old name. George C. Hays, whom he bought out, goes to Tennessee to become a field representative of the Continental, under George Harbison.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

COMPANIES CONFORM TO RULING

Willingness of fire and marine companies to correct law violations that exist with reference to inland marine transportation floater policies already has been indicated by receipt at Superintendent Beha's office of a number of responses to the warning with reference to these practices recently issued. The replies received cover lines numbering from 1 to 16 and indicate the measures the company has taken to correct whatever law violations existed under the transportation forms used. In character the replies range from confessions of some minor irregularities to sweeping denials of any irregularities.

LIMITATIONS ON ADJUSTERS

A furore has been created in the ranks of the independent adjusters of New York City through the receipt of a communication from the chairman of the loss committee of the New York Board, advising that acting upon the recommendation of the National Board, it has decided upon a per diem allowance for each adjuster selected for committee work. The allowance is to be graduated in accord with the view of the committee as to the ability of each party. Stringent rules which the adjusters are expected to comply with, have been laid down

and these are not at all to the liking of those affected. Informal conferences have been held by the adjusters regarding the situation, and formal sessions with the committee will probably take place later. Some of the important men assert the limitations laid down by the committee will virtually force them out of business, for the returns would not enable the payment of fixed office charges without considering compensation for their own labor.

COLONIAL NEW FIRE COMPANY

An intended new corporation of this city is the Colonial Insurance Company, to transact fire business. Several local agents appear among the list of incorporators.

RAIN ASSOCIATION MEETING

In the ten months of last year, January to October inclusive, the writing of the member companies of the Rain Insurance Association aggregated \$9,595,967. Premiums were \$808,047 and \$566,394 paid in losses. At the annual meeting of the organization these officers were chosen: President, John P. Hollerith, North British; vice-president, C. G. Baker, representing the Aetna, Springfield Fire & Marine and North America; secretary-treasurer, Arnold

Grasse, Home; executive committee: Carroll L. De Witt, Eagle Star & British Dominions, chairman; W. Perdue Johnson, Security of New Haven and B. E. Whitney of the Boston. During the past year the Southern Home retired from membership in the association.

Copies of the new rates which become effective May 1 have now been issued. While these do not differ materially from those now in force, there have been a number of changes as to territorial application, predicated upon the greater experience of the companies and with the more complete data from the federal weather bureau. Rates applicable to baseball games have been advanced somewhat to take care of the disclosed hazard of the class. In the six years that rain insurance has been written in the United States the business has progressed from the crude pioneering stage until it has reached a stable basis and may now be regarded as a standard division of underwriting.

In order to secure coverage a risk must be insured for 50 percent of the anticipated liability, and the application together with its premium be submitted a company at least seven days in advance of the effective date of the policy. Now that the outdoor amusement season is well launched companies are urging their agents to aggressively seek rain insurance.

SPEAKERS FOR BROKERS' DINNER

Superintendent J. A. Beha and former Superintendents Francis R. Stoddard and Jesse S. Phillips are listed among the speakers at the dinner of the General Brokers Association to be held the evening of April 28.

VICE-PRESIDENT OF PATRIOTIC

An accession to the executive staff of the Patriotic of America, as announced by Preston T. Kelsey, president of the company, is that of Oswald Tregaskis as vice-president. The new official, whose arrival in this country was noted recently, has had 25 years' experience with the Sun of London, the parent corporation of the Patriotic. For sometime he was in charge of the entire head office business of the Sun outside the London area, a post he relinquished to assume the management of the eastern department of the Sun in this city, under United States Manager Kelsey, which duties he will continue to discharge in conjunction with those of his new office.

REPORT ON NEW YORK LOSSES

In the first quarter of the present year incurred losses in the New York City territory, according to the report of the New York Board showed a decrease of 39.37 percent from those for the corresponding period in 1926.

ELLIS TO ADDRESS STUDENTS

W. W. Ellis, assistant to General Manager W. E. Mallalieu of the National Board, will address the insurance class of the Boston University on April 21, his topic being "Advertising and Selling in Fire Insurance." With the aid of a chart, Mr. Ellis will demonstrate that it is more important for insurance people to develop a "human" or public contact relationship with their clients than to lay stress on the technical side.

REVISE NEW YORK CITY RATES

At the April meeting of the Fire Insurance Exchange held last week an upward revision of rates for several important classes of retail stocks in New York City was made. The increases range from 25 to 150 percent. Reductions were made in fire rates for theatre other than moving picture houses and for department stores where the protection conditions are exceptionally good. The exchange also modified the rule applying to the rating of apartment houses and stores and dwellings so that many risks of these classes will be able to enjoy the minimum rate charges. Hereafter dwelling risks will be rated on area only instead of as to height and area. Where the ground floor area is 10,000 square feet or over, regardless of height, these

risks will be schedule rated, but not otherwise.

The rating rules as they apply to standpipes and automatic sprinkler equipment, partial or complete rating less than 40 percent, were amended in some of the schedules.

Following are the classes on which minimum rates and base rates and occupancy charge of corresponding classes when rated on mercantile schedule were advanced:

Boots and shoes, stocks of men's shoes only, increased 50 percent, from 50 cents to 75 cents; stocks other than men's only, increased 150 percent, from 50 cents to \$1.25.

Fur garments, new minimum rate of \$1.50 established; fur stocks, dressed or finished, increased 50 percent from \$1 to \$1.50.

Men's furnishing goods, minimum increase 33 1/2 percent from 75 cents to \$1. Ladies' and children's furnishings increased 20 percent from \$1.25 to \$1.50.

Drygoods, retail stocks, increased 66 2/3 percent, from 75 cents to \$1.25. Wholesale drygoods stocks remain at 75 cents.

Millinery and millinery goods stocks increased 20 percent, from \$1.25 to \$1.50.

Candy, cigar and stationery, mixed stocks increased 66 2/3 percent from 75 cents to \$1.25.

Bags, trunks and leather goods stocks increased 33 1/2 percent, from 75 cents to \$1.

Some other classes of occupancy are increased materially, the changes ranging from 40 to 100 percent.

CENTRAL FIRE APPOINTED

The Central Fire Agency, New York City, has been appointed general agent of the Chicago Fire & Marine for the New York suburban territory.

WILL ADDRESS EXAMINERS

Edward C. Lunt, vice-president of the Great American Indemnity and president of the Insurance Society of New York, and William J. Ward, secretary of the New York Fire Insurance Rating Organization, will be speakers at the annual meeting of the Examining Underwriters Association of New York, to be held May 3.

FIELD FOR GENERAL WRITER

Oklahoma Agent Tells How He Sells Life Insurance in Connection With Fire and Casualty Lines

The possibilities for the sale of life insurance by the agent in the general insurance field were brought out at the meeting of the Texas Association of Life Underwriters in Houston by John Stewart of Oklahoma, who was introduced as the man who in a town of 4,000 wrote \$800,000 of life insurance last year and had written \$400,000 since the first of this year. He stated he wrote 300 or 400 policies a year—small policies; that to write so many policies he had to get prospects; that he kept a card file and that he had nearly every inhabitant of his town in that file.

Follows Up Other Sales

Mr. Stewart is in the general insurance business, writing fire, automobile and other lines, and he gets his names from his other customers. Some auto owners are reckless and he sells them life insurance on the basis of their getting accidentally killed. If a workman is hurt he pays workman's compensation insurance, keeping in touch with the workman, and sells him life insurance when he recovers. He keeps his prospect list weeded out and an active list of about 100 at all times. He stated that he sold a good deal of life insurance without quoting a rate and sold lots of insurance where the policyholder did not even know the name of the company. "We sell protection and the company is a secondary consideration—it is just a means to an end—just a method of getting protection to the people," stated Mr. Stewart.

Vacation in Cuba

John N. Lewis, Oklahoma state agent of the National Liberty of Oklahoma

City, is spending his vacation in Tampa, Fla., and Havana, Cuba, accompanied by Mrs. Lewis and daughter, Miss Maxine.

ASSIGNMENTS ARE MADE FOR THE STATE MEETINGS

The National Association of Insurance Agents has made speaking assignments for the different state association conventions that will take place during the next two months. It will send someone representing the National body formally and being officially connected with it. The assignments are as follows:

Nebraska—Clyde B. Smith, Lansing, Mich.

Alabama—W. Eugene Harrington, Atlanta, Ga.

Louisiana—Allan Kennedy, Fort Smith, Ark.

Arkansas—J. A. Giberson, Alton, Ill.

New York—W. Eugene Harrington, Atlanta, Ga.

Kentucky—Ben L. Agler, Youngstown, O.

Georgia—Walter H. Bennett.

Mississippi—Walter H. Bennett.

New England—Fred L. Gardner, Poughkeepsie, N. Y.

South Carolina—R. P. DeVan, Charleston, W. Va.

North Carolina—Clifford A. Payne, Jacksonville, Fla.

Texas—D. J. O'Keefe, Ft. Wayne, Ind., chairman casualty and surety committee.

CONVENTION DATES

May 2-4—Insurance Commissioners Convention, spring meeting, Richmond, Va.

May 4-5—Nebraska Agents, Columbus.

May 4-6—Western Insurance Bureau, Briar Cliff, N. Y.

May 5-6—Alabama Agents, Montgomery.

May 9-12—National Fire Protection Association, Chicago.

May 12-13—Louisiana Agents, Shreveport.

May 13-14—New York Federation, Buffalo.

May 19—Arkansas Association of Insurance Agents, Little Rock.

May 20—Arkansas Insurers' Association, Hot Springs.

May 23-24—Association of Fire Insurance General Agents, Hot Springs.

May 23-24—Insurance Advertising Conference, Hartford.

May 23-25—Pennsylvania Federation, Philadelphia.

May 24-25—New York Agents, Syracuse.

May 25—National Board, New York.

June 5-7—Ohio Field Men, Cedar Point.

June 8-9—North Carolina Agents, Durham.

June 9-10—Texas Agents, Dallas.

June 15-16—Kentucky Field Men, Crab Orchard Springs.

June 17-18—Georgia Agents, Tybee Island.

June 21-22—Mississippi Agents, Gulfport.

June 21-23—New England Agents, Poland Springs, Me.

June 21-23—Wisconsin Field Clubs, Delavan.

June 26-27—South Carolina Agents, Charleston.

June 28-29—Illinois State Board, Delavan, Wis.

June 28-29—Kentucky Agents, Lexington.

June 29-30—Michigan Field Men, Gratiot Inn.

Sept. 12-14—International Claim Association, Toronto.

Sept. 26-30—National Safety Congress, Chicago.

Sept. 27-29—Casualty Conventions, White Sulphur Springs.

Oct. 19-20—National Association of Insurance Agents (annual meeting), New Orleans.

Oct. 25-27—Blue Goose Grand Nest, Dallas.

E. W. Button, local agent at Cynthia, Ky., was married April 15 to Miss Edith Haynes of that place. Mr. Button operated at Cynthia for some years as a partner in Simpson & Button, sold out and went to Oakland, Cal., returning a few months later and buying his old business back.

An Unfaltering Course

Dependability has been a watchword, accuracy a keynote in every transaction of the Lloyd-Thomas Company.

Our growth and progress are the result of the principle that underlies our every business activity namely, "A just and accurate valuation of all property appraised."

"WHAT IS AN APPRAISAL?"—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES"—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati
St. Louis
Denver
Washington

Cleveland
Milwaukee
Toronto
Los Angeles

Detroit
Pittsburgh
Minneapolis
Atlanta

Indianapolis
Memphis
Kansas City
Des Moines

FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

AS SEEN FROM CHICAGO

SOUTHERN ILLINOIS RISKS

A number of the high grade concerns in southern Illinois whose moral hazard is not in question are finding it very difficult to secure sufficient insurance owing to the restricted capacity, especially in the mining districts. A large number of companies have pulled out of southern Illinois and others are greatly circumscribing their writings. Some of the larger concerns are trying to get insurance through Chicago brokers. The

situation in southern Illinois is decidedly interesting from an insurance standpoint owing to the great demand for capacity and the disposition of so many companies to keep out of the section.

COMPANY COMMITTEE NAMED

There was no action at last week's meeting of the Chicago Board on the plans proposed by Manager Ernest Palmer for a reorganization of the existing Class 2 agency arrangements and other revisions. There have been several informal meetings devoted to a consideration of Mr. Palmer's suggestions and a permanent committee has now been appointed composed of nine company men who will confer with the previously announced committee of five local agents. The managers committee consists of Ernest Palmer, chairman; H. G. Buswell, Home of New York; W. A. Chapman, Queen; F. B. Luce, Providence Washington; Fred A. Rye, Commercial Union; C. R. Street, Great American; J. R. Wilbur, America Fore, and C. H. Yunker, Milwaukee Mechanics. Mr. Palmer is acting as chairman of both the agents' and managers' committees.

At the meeting of the Western Union in Washington last week it was decided to appoint a committee to again take up the large city question and try to reach some solution of the present unsatisfactory conditions, especially in Chicago. This committee when it is formed will undoubtedly meet with the committees of managers and agents that are conferring with Mr. Palmer. It is almost universally conceded that there must be some changes made in the conduct of the business in Chicago, and out of all the meetings that are being held and committees that are being appointed it is believed that some beneficial changes will result.

SWEAZEA TAKES CHARGE

W. F. Sweazea assumed his new position as Cook county manager of the North British and affiliated companies last Monday morning, being inducted into office by George H. Batchelder, assistant United States manager of the North British, who is in Chicago this week. Mr. Sweazea was for several years Missouri state agent of the North British and has made a splendid record in that field. He succeeds W. S. Hutchins as Cook county manager of the North British group.

DEATH OF W. H. ROTHERMEL

William H. Rothermel, veteran Chicago adjuster, died Tuesday of this week. The interment will be at Racine, Wis. Mr. Rothermel, until the formation of the Cook County Loss Adjustment Bureau acted as agency adjuster for Moore, Case, Lyman & Hubbard and did some outside independent ad-

justing. Since that time he has practically retired from the business, his work being taken up by W. H. Rothermel, Jr., his son. Mr. Rothermel has two other sons, Charles T. and Samuel A. His two brothers, the late Samuel A. Rothermel, formerly secretary of the Traders of Chicago, long connected with that institution, and the late Charles T., associated with different insurance offices, were well known in their day.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co. of Chicago, the investment brokerage house, furnishes the following stock quotations:

	Bid	Asked
Aetna Casualty & Surety	768	775
Aetna Fire	505	515
Aetna Life	530	585
Agricultural	265	...
American Alliance	225	235
American, N. J.	22	24
American Salamand	46	50
American Surety	227	231
Alliance	52	56
Automobile	225	...
Bankers & Shippers	270	280
Boston	530	...
Buffalo	350	450
Camden	16 1/2	17 1/2
Carolina	43 1/2	44 1/2
City of N. Y.	330	345
Colum. Natl. Life	215	...
Commonwealth	600	1550
Conn. General Life	1500	1550
Continental	158	168
Continental Casualty	48	50
Continental Assur.	58	62
Fidelity & Casualty	156	162
Fidelity & Depos.	183	185
Fidelity-Phoenix	104	106
Fire Association	48	54
Firemens, N. J.	215	220
Franklin	203	208
Glens Falls	43 1/2	45
Globe & Rutgers	1440	1480
Gt. American	307	310
Hanover Fire	185	195
Harmonia Fire	46	49
Hartford Fire	510	518
Hartford Steam Boiler	625	650
Home, N. Y.	402	406
Homestead	33 1/2	34 1/2
Independence	19	22
Importers & Exporters	68	73
Insurance Co. of N. A.	59 1/2	60
Knickerbocker	25	35
Maryland Casualty	106	107
Mechanics	60	65
Merchants Fire N. Y. Com.	120	130
Merchants Fire Pfd.	110	120
Lloyds Plate Glass	230	250
Metropolitan Casualty	83	88
Milwaukee Mechanics	36	39
National, Ct.	750	765
National Liberty	418	448
National Union Fire	241	248
National Surety	253	257
New Amsterdam Cas.	59	60
New Jersey	36	40
New York Casualty	92	96
Niagara	258	268
Northern, N. Y.	300	...
North River	140	145
Pacific Fire	190	195
Phoenix, Ct.	532	538
Preferred Accident	420	440
Provident-Washington	353	363
Reliance Cas. N. J.	156	165
Rhode Island	270	280
Rossia	81	84
Springfield F. & M.	540	...
Security, Ct.	99	102
St. Paul Fire & Marine	105	...
Stuyvesant	175	185
Travelers	1180	1200
U. S. Casualty	39	40
U. S. Fidelity & Guar.	260	265
U. S. Ins.	184	190
U. S. Merch. & Ship.	247	257
Vulcan	100	...
Westchester	43 1/2	44 1/2

NEVENS ADDRESSES EXAMINERS

Charles L. Nevens, superintendent of the special risk department of the Hartford Fire, will be the speaker at the April meeting of the Association of Fire Insurance Examiners of Chicago, to be held April 21 at the H. & M. Men's Grill, 209 West Jackson boulevard. Mr. Nevens will discuss standard sprinkler installation. This will be the last meeting of the association until autumn.

DINNER FOR HUTCHINS

The employees of the western department of the Pennsylvania Fire and its affiliated companies gave a dinner in honor of W. S. Hutchins, retiring manager, Friday. Remembrances from the employees were presented at the dinner by Freeman B. Ingledew of the Chicago office.

OHIO MILLERS DEPARTMENT

The Ohio Millers Mutual of Columbus, O., will open a western department at Chicago to handle all business from Chicago west. President J. C. Adderly of the company will spend half

his time in Chicago and half at the home office in Columbus. His brother, W. H. Adderly, the vice-president, is associated with him in the company. Mr. Adderly said that the Ohio Millers is taking this action in order to provide more efficient and rapid service for the agents and brokers. It will be located in the insurance district in Chicago and will have its office started the middle of May.

ORGANIZATIONS TO MOVE

Some time before June 1, the offices of the National Board of Fire Underwriters, the Oil Insurance Association and the Western Actuarial Bureau, all of which are now in the McKinlock building at 209 W. Jackson bld., will be removed to the eleventh floor of the new Adams-Franklin building. These three organizations will occupy the entire 11th floor of this new building, to which have already been attracted a number of insurance offices.

NEW FIRE COMMISSIONER

Mayor William Hale Thompson of Chicago has appointed A. W. Goodrich, former head of the Goodrich Transit Company, as fire commissioner for the city. He immediately announced the plan to build skyscraper fire stations in the loop to prevent a waste of space and bring in more revenue to the city. Mr. Goodrich formerly served as Lincoln Park commissioner. He has long been a fire fan and is a life long friend of the mayor.

Secretary Olaf Nordeng of the Automobile was in Chicago this week on company matters.

The Chicago office of Toplis & Harding, adjusters, will move this week to the Adams-Franklin building. They were formerly located at 172 West Jackson boulevard.

The Chicago Board, at its quarterly meeting, elected W. J. Faymonville, Mil-

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

The National Underwriter
Chicago

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waukee Mechanics; Fred P. Hamilton, Queen, and Hamilton M. Loeb of Eliel & Loeb Company, members of the executive committee. * * *

Edward Reilly, for more than 30 years in the service of the Chicago Fire Insurance Patrol, has been appointed second assistant to the chief. He was placed in charge of the special training school, which the patrol established for men and officers. * * *

James E. Mattimore, Illinois state agent of the Phoenix Assurance, and T. L. Pusey, superintendent of the brokerage and service department, leave for New York April 23 to attend a meeting of the company's western department heads. * * *

Ward Seabury of Marsh & McLennan in Chicago sailed last week on a business trip abroad. * * *

Seek Grand Nest Honors

LOUISVILLE, April 19.—The Kentucky Blue Goose, at its luncheon meeting yesterday, launched a movement to present a candidate for office in the grand nest at the annual meeting in Dallas.

The membership of the Kentucky pond the past three years has increased 100 percent, due largely to the efforts of the proposed candidate, Julius V. Bowman, whose endorsement for grand keeper of the golden goose egg received the unanimous and enthusiastic support of the local pond. Mr. Bowman is past most loyal gander of the Kentucky pond, and is now chairman of one of the important committees of the grand nest. He is state agent for the American Central for Kentucky and Tennessee.

Nolan G. Perry was received into membership from the Arkansas pond, Eugene G. Stuart and Marshall Mellor from the Tennessee pond, and Dale R. Schilling from the New York City pond.

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PREMIUM REDUCTION CAUSES SOME CONCERN

Conservative Policy of Companies
in Accepting Lines Is Partly
Responsible

IS ADJUSTMENT PERIOD

Agents Quickly Desert Offices Which
They Believe Are Becoming Too
Exacting as to Risks

NEW YORK, April 20.—Just what is causing the reduction in fire insurance premiums which has hit many of the companies for the first few months of this year is not altogether clear. The field man who gets a letter from the home office, asking, "Why this decrease?" points to the changed underwriting policy of his company and says that most of the decrease is due to that. He will tell you that his underwriting department is reducing lines, is refusing to accept certain classes which heretofore have been written and that the net effect on the agent is the sending of business entirely into the hands of certain companies which are willing to accept the lines in nearly as large sums as they have heretofore been written.

Lose Entire Risk

The special agent will cite instances where companies have been carrying \$20,000 or \$30,000 and have ordered the line reduced to \$10,000 at the renewal date only to find that the agent has transferred the entire line to some company which will take it. So that in-

stead of losing only part of the premium, the company has lost the entire premium. Regardless of how liberal a company may have been in accommodating the agent in the past, it is the present attitude of a company which usually determines the agent's present placing of business and as soon as the agent begins to believe that a company is getting a little "finicky" he starts placing the business in some company which has not yet started to bother him.

Is Trying Period

This is undoubtedly a period of adjustment for both company and field man. The return to an application of

earlier underwriting principles has its problems both at the home office and in the field. The field man is the representative of the company and naturally tries accurately to reflect its underwriting practices. Today he finds that he must make a dozen decisions with reference to specific risks where a few years ago he made one or none. And in addition to making decisions, he must also defend these decisions before the local agents. The truth is that the whole procedure is a little trying for all concerned and it is a time for the manifesting of a sympathetic attitude, one toward the other, of field man, local agent and company.

SOME RECENT COURT DECISIONS IN THE FIELD OF FIRE UNDERWRITING

Where insured had fully paid off a lien at the time the policy was issued, and was entitled to have same cancelled, held that the answers given that there was no lien, would not bar a recovery on the policy. *Ins. Co. of North America vs. Brinkley, Ct. of Appeals, Ky.*

Bookkeeping—Where assured kept his books in the same manner in which practically 80 percent of the merchants kept their books, although the sales tickets were not kept daily nor a permanent record kept of each sale, held that this was a sufficient compliance to prevent a forfeiture of the policy for not keeping proper books. *Fidelity Union Fire vs. Barnes, Ct. of Civil Appeals, Texas, 8th Dist.*

Act of Insured in Keeping Unrequested Renewal Policy Which Was Mailed to Him by Local Agent Held to Render Insured Liable for Premium—In *Crowther vs. Sullivan, Court of Civil Appeals of Texas, 290 S. W. 212*, the plaintiff was an agent and, according to custom, mailed the defendant a renewal

policy on the expiration. The defendant had not requested the renewal, but, according to the custom of the locality, the unrequested mailing of the renewal was proper.

The defendant retained the policy without objection for nearly one year. Defendant then denied liability for the amount of the premium, \$108.81. The plaintiff, agent, thereupon brought action to recover. The lower court found in favor of the plaintiff. On appeal the higher court, in affirming this judgment, said:

Judgment Is Affirmed

"The evidence shows that appellee had been acting for appellant in insuring his property, and late in 1924 a policy on his stock, furniture and fixtures at 510 Main avenue, San Antonio, being about to expire, appellee mailed a renewal policy on the property to appellant, and it was after holding the policy for nearly a year that he refused to pay the premium. Clearly he is liable for the premium.

"The insurance company would have

FINANCIAL STATEMENT

Report to the Insurance Department of the State of New York

United States Branch

UNION INSURANCE SOCIETY

of Canton, Ltd.

DECEMBER 31, 1926

ASSETS

Bonds and Stocks (Market Values).....	\$4,759,918.62
Cash and Bank Deposits.....	807,226.01
Agents' Balances.....	992,159.89
Due from Other Companies.....	35,802.32
Accrued Interest on Bonds.....	70,039.66

Total Admitted Assets.....\$6,665,146.50

LIABILITIES

Reserve for Unearned Premiums.....	\$2,330,195.56
Reserve for Unadjusted Losses.....	1,042,655.72
Reserve for Taxes and Other Expenses..	167,284.46

\$3,540,135.74

Surplus to Policyholders..... 3,125,010.76
(Including Statutory Deposits)

\$6,665,146.50

THESE FIGURES DO NOT INCLUDE HOME OFFICE ASSETS

MARSH & McLENNAN, United States Managers

Ulric S. Atkinson, Assistant United States Manager

175 West Jackson Boulevard

CHICAGO, ILLINOIS

been liable to appellant if a fire had occurred, and after holding the policy for almost a year he will not be permitted to refuse payment of the premium. It is the custom of insurance agents to watch the insurance of their patrons and without a request to send in new policies when the old expire. Appellant knew this and yet did not return the policy or request its cancellation. He is liable for the premium and must pay it."

Partial Assignment of Fire Policy Not Acquiesced in by Insurance Company Held Not Effective to Bind the Latter—In *Henry Clay Fire vs. Denker's Ex'x*, Court of Appeals of Ky., 290 S. W., 1047, the company issued a policy covering a dwelling house to one English. The property was destroyed by fire and English attempted to assign a part of the insurance money to Denker for a certain indebtedness.

This attempted assignment was by writing, and after execution was given to the local agent as authority for the payment of the part of the policy involved to Denker. The agent sent the papers to his company, but the latter ignored it and paid the entire policy to English.

Following this English, it was alleged, failed to pay Denker and became insolvent. Denker thereupon brought action against the company to recover the amount of the assignment to him made by English. The trial resulted in a judgment in favor of Denker. On appeal the higher court, in reviewing the record, and in reversing this judgment, said:

"A partial assignment of a chose in action, not negotiable and to which the debtor does not assent, does not give the assignee a right of action against the debtor, nor amount to an assignment pro tanto of the debt. This is a rule recognized by courts generally everywhere in America.

"A creditor cannot by assignment of part of his claim against his debtor require his debtor to split up the amount and pay it to different persons, for the debtor has the right to pay his debt by a single transaction and to be relieved of all responsibility by the payment to the original debtor. . . .

"As there was no controversy about the facts, it is easy to see that the attempted assignment of a part of the obligation of the insurance company was a nullity, and the fact that the written contract, signed by the parties, was delivered by them to the local agent of the insurance company and by him forwarded to the insurance company does not change the legal status of the parties.

"The local agent had no authority nor did he attempt to make an acceptance for his company, and the company did not act upon the matter at all so far as the record shows, but merely ignored the attempted assignment, as it had a right to do. . . . Judgment reversed with directions to dismiss the petition."

Where Fire Loss Occurred Prior to Receipt of Letter by Insurance Company Cancelling Policy Held Policy Was Still in Effect—In *Hutchins vs. United States Automobile*, Supreme Court of Minnesota, 212 N. W. 451, the plaintiff carried a policy insuring his garage. On Oct. 14 plaintiff returned the policy for cancellation and requested the amount of the short rate be remitted to him.

On Oct. 15, before this letter had reached the company, the garage was destroyed by fire. The company denied liability, taking the position that the policy was cancelled as of Oct. 14, the date of plaintiff's letter.

Plaintiff thereupon brought action to recover and was awarded judgment in the lower court. On appeal the higher court, in reviewing the record, and in affirming this judgment, said:

"Was the policy canceled when plaintiff wrote and mailed the letter and policy to the defendant? A request for cancellation was essential to terminate the contract of insurance. Undoubtedly plaintiff wished to cancel the policy and doubtless defendant was obliged to com-

ply with a request for cancellation as soon as the request was brought to its attention.

"It will be observed that the policy did not provide that it should be canceled upon the mailing of the request, and this fact distinguishes the case from those in which it is held that a notice which may be given by mail becomes effective when the notice is deposited in the United States postoffice properly stamped and addressed to the person to be notified. The case is also distinguished from those in which an offer to buy or sell is made by mail. In such cases the person to whom the offer is addressed may accept by mail and the contract of sale becomes effective as soon as the letter of acceptance is mailed.

Crown Point Iron Case Cited

"The precise question under consideration arose in *Crown Point Iron Co. vs. Insurance Co.*, 127 N. Y. 608, 28 N. E. 653, 14 L. R. A. 147, where it was held that, to cancel a policy of insurance by notice to the company, it is essential that the notice actually reach the company; that if the notice is sent by mail, it does not take effect until it is delivered to the company. . . .

"We think the *Crown Point* case lays down a sound rule. We adopt it and hold that the trial court was right in finding that the policy was still in force when the fire occurred. Order affirmed."

Gunpowder—Where plaintiff kept fireworks in his store in violation of the statute and the provisions of his policy, held that recovery could not be had on the policy when the store was destroyed by fire. *Rabinovitz vs. Nat. Fire, Sup. Jud. Ct., Mass.*

Unintentional Omission of Agent's Signature to Fire Policy Held Not to Effect Validity of Policy Where It Was Delivered in Good Faith—In *Hartford Fire vs. Prather*, court of appeals of Kentucky, 291 S. W. 9, the plaintiff paid \$242.63 as premium on a policy. It was duly issued and delivered to the agents for delivery to the plaintiff.

At the request of plaintiff, the local agents kept the policy in their safe. By the terms of the policy it was stipulated that it should be valid only when signed by the agent, and the agents inadvertently omitted to sign the policy.

After the period for which the premium had been paid had expired the plaintiff obtained possession of the policy and then ascertained that it had not been signed by the agents. He thereupon brought action to recover the premium he had paid, on the ground that the policy had never been in force and he had not in fact had any protection therefrom.

The trial court rendered judgment in favor of the plaintiff. On appeal the higher court, in reviewing the record and in reversing this judgment, said:

"The company had accepted the application of appellee, Prather, for the policy, and had issued the same, and sent it to the local agents for delivery, and the local agents had collected the premium. Furthermore, they recognized the validity of the policy, after its delivery and at all times during the year 1921, up to Jan. 1, 1922.

"Under such circumstances the company was bound upon the policy, and appellee obtained the protection which he sought by the policy, and should not in good conscience be permitted to avoid the payment of the premium which he contracted to and did pay to the local agents of the company.

"If, as contended by appellee, Prather, the contract was invalid, and did not afford fire protection for his property described in the contract, then he would be entitled to a recovery of the premiums paid, but, where he applied for, and obtained, the kind of policy he desired, which policy was in full force and effect during the term for which he paid, he is not entitled in either equity or law to a return of the premium, although the local agents, through oversight or mistake, failed to sign their names upon the blank line provided in the policy for

BIG CASE IS WON BY KANSAS CITY PATROL

CITY'S CONTRACT ENFORCED

Insurance Taxes of \$25,000 a Year Must be Turned to Support Salvage Corps

KANSAS CITY, MO., April 20.—The city of Kansas City must continue to contribute to the support of the fire patrol maintained by the Kansas City Insurance Agents Association here, according to a decision rendered by Judge Clarence A. Burney on April 18. In a peremptory mandamus writ Judge Burney ordered the city to pay the association \$2,500, the amount alleged due from license fees paid by insurance agents and brokers between May, 1926, when the city made the last payment, and Jan. 1, 1927.

The case which was started Feb. 8, 1927 by the Insurance Agents Association involves the validity of a contract made between the association and the city 23 years ago, at which time the association was given a 30-year franchise to operate the underwriters patrol upon the condition that the city should turn over to the patrol all license fees paid by the fire insurance companies, the agents and brokers, and that the insurance companies should provide the deficit. Although the mandamus proceedings involved only \$2,500, the future payment of approximately 25,000 a year or over \$175,000 depended upon the decision. The contract has seven years yet to run.

In Operation 23 Years

It was brought out in the trial by William S. Hogsett, attorney for the Insurance Agents Association, that during the 23 years since the establishment of the patrol the cost of operation has been \$994,152, of which amount \$456,285 was paid by the city and \$537,867 by the insurance companies.

The contention of the city is that the payment of the license fees to the patrol amounts to a refunding of taxes and is therefore illegal. The city also contends that the work of the patrol overlaps that of the city fire department and that the property saving by the patrol is of direct benefit to the insurance companies. In answer the insurance agents brought merchants as witnesses to the great saving that the patrol had made in fires in their establishments in case of fire, and showed that the work of the patrol tended to lower fire insurance rates.

The city counselor announced that the city would appeal. The appeal hearing will be before the state supreme court.

their names, for that did not invalidate the policy.

"An intentional delivery of the policy by the local agents with the purpose of binding the company according to the terms of the policy waived the omission of the agents' names upon the blank line and made the contract valid in all respects. . . . Judgment reversed."

A. E. Schroeder and A. A. Figeley

A. E. Schroeder has been appointed Minnesota state agent of the Crum & Forster companies with jurisdiction over the entire state excluding Minneapolis, St. Paul, Duluth and the territory commonly known as the Iron Range. A. A. Figeley, who for many years has had charge of the entire state, will continue supervision over the excluded territory. The Crum & Forster fleet's business in that particular territory has grown so as to require Mr. Figeley's constant attention. He will maintain his office at the state agency headquarters 1124 Plymouth building, Minneapolis. Mr. Schroeder's headquarters will be at the same location.

Mr. Schroeder has for years traveled in Minnesota and until recently was state agent of the National Union Fire

Collision Decisions On Motor Policies Of General Interest

DAMAGE to automobile caused by sinking in sand held not collision within terms of insurance policy.—In *Aetna Casualty & Surety vs. Carmel*, supreme court of Florida, 100 So. 802, the insured brought an action on a policy covering his car from damage by collision. The facts resulting in the damage to the car were as follows:

The insured was driving the car along the beach, when it started sinking. He passed through the soft place and turned around to go back, when the car sank so deeply that he was unable to get it out. He employed a man to get the car out, but the latter was not able to accomplish anything that day. The car stayed in its position and that night was partially covered by the incoming tide.

What the Court Held

In reviewing evidence and denying a recovery on the ground that there had not been a collision within the meaning of the terms used in the policy, the court said:

"What seems to have happened was that the automobile was run upon a portion of the beach or 'roadbed' where the surface was not sufficiently firm to withstand the weight, but 'gave way under the car' and it 'went down in soft sand' and 'stuck.' It may be that 'all of a sudden the beach gave way,' but, taking into consideration all of the evidence of this witness and giving to the word 'collision' its popular and usual significance, it cannot, we think, be said under the facts of this case that there was a colliding of the automobile with the roadbed."

Damage to automobile by overturning held caused by collision within terms of policy.—In *Great American Mutual Indemnity vs. Jones*, supreme court of Ohio, 144 N. E. 596, the insured carried a policy insuring him against loss or damage to his automobile. The collision clause of the policy provided for protection as follows:

"Accidental collision with another object, either moving or stationary (excluding, however, under this clause only, ordinary breakage and all loss or damage by fire, arising by reason of accidental collision). Loss or damage to any tire due to puncture, cut, gash, blowout or other ordinary tire trouble, or in any event, loss or damage to any tire unless caused in an accidental collision which also causes other loss or damage to the insured automobile, shall not be covered hereby."

Struck the Roadway

While this policy was in force the car while being driven around a curve on a brick road overturned and struck the roadway. For the damage resulting the instant action was brought. The insurance company denied liability on the ground that there had not been a collision within the meaning of the terms of the policy. In holding there had been a collision and permitting a recovery on the policy, the court, in part, said:

"At the outset it must be agreed that the meaning of the word 'collision' is 'the act of striking or dashing together; a striking together of two bodies, the meeting and mutual striking or clashing of two or more moving bodies or a moving body with a stationary one.' The language of the policy is 'accidental collision with another object, either moving or stationary.'"

"Taking into consideration the entire clause of the policy in question and applying the meaning of the terms 'collision' and 'object' as they seem to us to have been by the company itself by the insertion of the exceptions and exclusions stated, we are of the opinion that the injury sustained by plaintiff was covered by the policy."

Damage to car running over precipice and striking below held caused by col-

liasion within terms of insurance policy.
—In St. Paul F. & M. vs. American Compounding Co., supreme court of Alabama, 100 So. 904, the insured left a car parked over night facing down hill. The following morning when a custodian was sweeping it out, the car started and ran over a 25-foot precipice landing in the bottom of an excavation below. In holding this damage to be

caused by collision and within the terms of a policy insuring the car, the court, divided, however, three to four, in part said:

"A collision implies an impact, the sudden contact of a moving body with an obstruction in its line of motion. Both bodies may be in motion, or one in motion and the other stationary. Clearly it matters not whether the car

or the other object is in motion. The clause here involved covers all accidental collisions, save those arising from certain extra hazardous uses.

"In the nature of things, no effort is made to enumerate the accidental collisions covered thereby. No particular kind of accident is in the contemplation of the parties. The peril insured against is the unforeseen accident; otherwise

there is no accident in the true sense. Neither is there any limitation as to cause of the accidental collision. The force leading thereto may be applied by human agency, or it may be natural force. * * * An automobile started by an external force, or by force of gravity on failure of the brakes to hold, and running uncontrolled against any object in its path, is in collision with such

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Lesson from New York Fire

THOUGH the loss occasioned through the spectacular fire that occurred on the 38th floor of the SHERRY-NETHERLANDS HOTEL, in course of construction at Fifth avenue and 59th street, New York City, is estimated at approximately 3 percent of the \$2,000,000 of insurance involved, the happening stressed the wisdom of the requirement that underwriters have been seeking to secure for months past, viz., the enforced carrying up of fire protective facilities as the construction of a building progresses, and particularly the adoption of extinguishing devices upon scaffolding. In the erection of new buildings the free use of salamanders and the almost invariable practice of mechanics to smoke, creates a serious fire menace that underwriters have long sought to curtail.

This fire provided plenty of thrills for the onlookers, in that it showered sparks in all directions, many of these alighting upon adjoining roofs, where they were promptly extinguished by watchful firemen, while others showered automobiles upon the streets hundreds of feet below.

Insurance engineers point out that had a similar fire occurred, say in Buffalo, where the fire lines are of limited area, while just beyond are hundreds upon hundreds of frame dwellings, the

great majority with wood shingle roofs, a very different situation might have developed.

In greater or lesser degree the same situation is to be found in many other cities throughout the country, for the erection of sky-scraping hotels and mercantile structures is no longer confined to cities of the first class. Many such structures are now to be found in communities of comparatively small though growing populations. The fire hazard which they present while in course of construction is one which should be given serious attention.

It is not sufficient to install standpipes in tall buildings, but these should be constantly inspected to see that they are in proper working order at all times.

New York City has had a number of fires in its thoroughly modern skyscrapers, the most noteworthy perhaps being that in the Equitable building some months ago. While this structure was held to be the last word in fire-proof construction, serious damage was done to three of the upper stories before fire, breaking out in a pipe shaft, could be extinguished.

Companies continue to accept liberal lines upon these great buildings, however, the rate, for the coverage averaging about 11 cents.

Proper Attitude of Agents

THE "Chicago Journal of Commerce" in a recent editorial, entitled "Collecting Fire Insurance," calls attention to the proper attitude of an agent following a fire. The observations of that publication are very sound. Frequently agents seem to think that they have to stand by their claimant through thick and thin. In that way, they lose not only the confidence of companies but the public as well. The editorial reads:

When a man's insured property burns he quite naturally desires to collect from the company the entire amount of the insurance if he suffered a total loss. His loss is likely to be heavy even if he secures this, because of the interruption to his business and costly delays in building or a change of location. Facing these things the insured generally expects the company agent with whom he placed his business to be an active partisan of his when the loss is in process

of adjustment. But a veteran fire insurance underwriter has another idea of agency ethics. He says:

"The agent's position after a fire is not that of umpire or protagonist of either the assured or the company adjuster. It is his business merely to bring together the assured and the adjuster, and then retire, until he is asked to advise one or both parties to the insurance contract in order to bring about a just settlement."

Thus an impartial agent may properly serve to persuade an unreasonable claimant to agree to a just adjustment, or if the adjuster shows a disposition to pinch the insured, to call his attention to the fact that denying the holder of a policy what is due him is not viewed with favor by the companies. The whole prestige of the fire insurance business rests upon prompt and fair settlement of losses. When a local agent shows a disposition to insist that his patron be awarded more than what is truly due him he shows his unfitness to represent a sound company.

PERSONAL SIDE OF THE BUSINESS

Clifford A. Payne of Jacksonville, Fla., former president of the Florida Association of Insurance Agents and now a member of the executive committee of the National association, created much interest on the Chicago streets this week. Mr. Payne is attending the mid-year conference of the National association. So far as is known, he is the first man to sport a brand new straw hat for the season in Chicago. While straw hats are very prevalent in Florida at this time of the year, even the boldest have not dared venture out in Chicago with the summer headgear. Mr. Payne had selected a very tasty hat with the latest shape and striped band. Chicago's femininity was much attracted by Mr. Payne's opening the season.

Fred G. Rapp, prominent insurance man of Columbia, Ill., for the past 35 years, is a candidate for reelection as mayor of the city this month. Mr. Rapp has been at the head of the municipality for 18 consecutive years and has just been unanimously endorsed by the citizens of Columbia as candidate for mayor again. This will round out his tenth consecutive term as the chief executive officer of the town, now a city. No opposition has developed against Mr. Rapp, the citizens of the municipality showing the highest regard for the man who has guided its destiny for so many years. When Mr. Rapp first became mayor, the town was rather commonplace, but under his administration it has become one of the finest and cleanest residential towns in southern Illinois.

Howard D. Street, an underwriter for the National Union Fire of Pittsburgh, died last week following a brief illness from pneumonia. Mr. Street was an examiner in the western department of the Westchester in Chicago from 1920 to 1926, joining the National Union last September as examiner for the middle northwest states. He was a native of St. Louis.

Charles M. Houseman, well known field man and examiner, has opened an independent adjusting office at Louisville. He is making his headquarters at 620 South 40th street in that city. Mr. Houseman has been associated with the Continental, Home of New York, and Aetna for the last 35 years. He located at Louisville at the behest of a number of companies that felt there was need in that city for a man of Mr. Houseman's experience to handle especially farm losses in southern Illinois, Indiana, Kentucky and Tennessee. Mr. Houseman has had a long experience in the farm field.

J. P. H. Adams, Oklahoma state agent of the Great American fleet, has returned from an extended trip abroad. While in Europe he was joined by his daughter, Miss Florence Adams, who is completing her education abroad. Mr. Adams and his daughter took a little jaunt into Africa, visiting Algiers and other cities of interest, in addition to making a little trip into the desert.

John Marshall, Jr., vice-president of the Fireman's Fund, who has been confined to a San Francisco hospital and his home for more than two months, surprised his associates in the home office the other day by appearing in his office for a short time. Until he fully recovers from his long confinement he will make short periodic visits to his desk.

Thomas J. Houston of Chicago, well known independent adjuster, has been appointed president of the civil service commission of Chicago by William Hale Thompson, newly elected mayor of the city. Mr. Houston has been a life long friend of Mayor Thompson. He served as Illinois insurance superintendent in



THOMAS J. HOUSTON
Appointed President of the Chicago Civil Service Commission

1921 and 1922 and was very active in that office. He was prominent in the National Convention of Insurance Commissioners. Mr. Houston has been interested in politics for many years. He is a veteran of the Spanish-American war, he is well toward the top of the list in the Shrine organization, being imperial oriental guide in the imperial council. He is president of the Medinah Athletic Club near Chicago. Mr. Houston was formerly well known in athletic circles, having served for 25 years as judge at finish in amateur athletic championships in the middle west and at indoor and outdoor meets of the "Big Ten" and western intercollegiate conferences.

It had not been supposed that speakers at a meeting of the subscribers of the actuarial bureau would be so enthusiastic and exciting as to elicit prolonged applause. Yet such seems to have been the case in Washington last week when the Western Union subscribers held a meeting. During the progress of this meeting, Secretary E. B. Hatch of the Western Union sat in the rear of the room. A lady frantically waved to Mr. Hatch from the door to whom he immediately responded. She was in a determined state of mind, telling Mr. Hatch that an important concert was being held in the next room. She said that the ladies attending this concert were very much disturbed at the loud and prolonged applause from the subscribers' actuarial meeting. She made inquiry as to the nature of the gathering. Mr. Hatch told her that they were members of the Subscribers Actuarial Bureau. She seemed much nonplused and expressed regret that the Mayflower hotel would allow such organizations to hold meetings within its walls.

John N. Brushingham of Milwaukee, manager of the Travelers Fire in Milwaukee county, is receiving the condolence of his friends due to the death of his father, Rev. Dr. John P. Brushingham of Chicago, who for nearly 50 years had been prominent in the religious and civic life of the city. Dr. Brushingham died Thursday of last week at Phoenix, Ariz. He had been pastor of the First Methodist Episcopal Church of Chicago, now known as the Chicago Temple, for nine years. The funeral services were held in that edifice. Mayor William Hale Thompson, who had just been sworn into office, attended the services. In fact, Dr. Brushingham first nominated Mr. Thompson for mayor when he served his first term. Rev. John Thompson, pastor of Chicago Temple, officiated at the service.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

BUREAU'S WORK TO INCREASE

Ohio Inspection Body Plans Additions to Staff to Meet Growing Demands for Service

The Ohio Inspection Bureau is planning to increase the amount of work done by it this year as compared to 1926. Twelve new employees will be taken on by July 1 of this year. Two recently appointed are D. K. Auck, civil engineer, and L. L. Robinson, electrical engineer, both of Columbus. Not all of these additions, however, represent a gain in number of employees. The Bureau was short handed last year and some appointments will be replacements. A new card rate system for Hamilton will be ready about May 1. The card system is proving popular and agents of Zanesville, Marietta, East Liverpool and other cities have asked the Bureau to furnish them cards instead of books. The Bureau itself prefers the cards, but at present is concentrating to get cards ready for the larger cities first. Some of the smaller cities therefore cannot be accommodated at once. Cards for Zanesville have been delivered recently.

Results Are Satisfactory

There was some doubt whether withdrawal of Bureau help in maintaining agency rate card files would result satisfactorily. It was feared by some that the cards would not be filed properly, that wrong rates would be used and quoted and thus that the Audit Bureau would find more work on its hands. The agents, however, have had no difficulties so far as can be judged by the Inspection and Audit Bureaus and the new plan of having each agency file and handle its own cards has resulted very well.

Seven men from the Inspection Bureau are now rating Chillicothe, and a new rate book for that city will be out in June. The last tariff for the city was published in 1914. Circleville will be visited next by the rating crew. Other cities which may be entirely re-rated this year are Tiffin, New Philadelphia and Newark. The Bureau now has nine men doing town rating work.

Town Inspections Numerous

The ideal condition would permit a town to be re-rated once each five years. As there are 1,000 towns in Ohio, that would mean 200 town inspections each year. During the last four or five years the Bureau has averaged 100 to 140 town inspections.

Some relief has been afforded the Bureau recently since companies have cut down their engineering staffs and the agitation has been on to leave rates alone unless they go up. Agencies and companies are making fewer calls on the Bureau service, but the public is making a constantly increasing use of the service. Last year the Bureau was instrumental in obtaining improvements in 7,192 buildings, 11,000 stocks and 14,000 devices through its direct public contacts. Inquiries from contractors, architects, factory and office building owners and operators are more frequently received each year.

Heavy Loss at Morgantown

An early morning fire in the basement of the department store of Orr Brothers in Morgantown, W. Va., resulted in the destruction of a block in the business district and an insurance loss of probably \$500,000. Many families had apartments in the buildings, losing their effects with little insurance. A theater, jewelry store, hardware store, music store and other buildings were razed.

STRIKE AFFECTS OHIO LITTLE

Limited Lines Carried on Mine Properties—Some Stores Depending on Mines Will Suffer

The coal miners' strike is not affecting Ohio as much as it would have several years ago. The Ohio mines have not been able to compete in the market with Kentucky and West Virginia coal, and as a consequence the mining districts in southeastern and eastern Ohio have been watched carefully for several years.

Carrying Limited Lines

Companies have been carrying limited lines on tipples, boiler houses, substations, tan houses and machine shops and have been carrying these often only as accommodation lines. Nevertheless,

there are spots here and there which will be affected.

Particular attention will be given to stores whose trade will suffer adversely. Pomeroy, where special agreements between owners and miners are in effect, is not affected; but territory surrounding Athens is to be examined carefully.

Plans for Ohio Meeting

COLUMBUS, O., April 20.—The time and place for holding the annual meeting of the Ohio Association of Insurance Agents has not yet been determined. Secretary W. H. Tomlinson says that the executive committee will decide on the matter in a short time.

Secretary Tomlinson stated that the meeting will probably be held in Cleveland the week of either June 13 or June 20.

Will Likely Meet in Charleston

CHARLESTON, W. VA., April 20.—President C. A. Staats of the West Virginia Association of Insurance Agents states that the time and place of the annual meeting will be decided

at an early date when the executive committee holds a meeting. The Charleston local board has tendered an invitation to the West Virginia association to hold its next meeting in this city. It will probably be accepted and the meeting likely be held late in June in this city.

Adams County Loss Ratio

Companies which have been doing business in Adams County, Okla., are looking over their lines there with great care. At least two or three companies have withdrawn from the county and others have withdrawn from Peebles or certain towns in the county. The companies have had a heavy loss ratio there and while there have been promises of improvement in fire protection, the promises have not developed into action.

Cincinnati Members Meet

Members and prospective members of the Ohio Blue Goose in Cincinnati held their first weekly luncheon in Cincinnati Monday. Allen C. Guy, chairman of the committee in charge of the Cincinnati

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JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	CAPITAL	LIABILITIES	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$5,000,000.00	\$17,796,927.66	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$1,000,000.00	\$2,938,563.59	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$600,000.00	\$2,748,734.22	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$1,000,000.00	\$2,702,814.94	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$1,000,000.00	\$2,598,996.65	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$1,000,000.00	\$2,942,034.49	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$300,000.00	\$733.34	\$424,031.61	\$ 724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

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nati dinners, expects a weekly attendance of 10 to 15. At the luncheon this week the following were present: W. H. Clemons, J. J. Conway, Jr., Edgar L. Penney, J. H. Burlingame, H. A. Tenney, Allen C. Guy and A. O. Wing of the Western Adjustment, G. W. Graham, Jr., special agent of the New York Underwriters, Fred H. Haack of the Underwriters Adjusting Co.; H. W. Warren, special representative of the Royal from Chicago; Joseph P. Herberger, state agent of the Royal; E. A. Winter, state agent of the National Liberty and R. E. Richman of THE NATIONAL UNDERWRITER.

Large Cleveland Delegation

As usual, Cleveland sent a large delegation to the mid-year conference of the National Association of Insurance Agents being held this week in Chicago. There were present from that city Fred B. Ayer, O. G. Strong, S. J. Horton of the Cleveland Insurance Board; H. L. Grider, P. W. Flicker, George E. Haas, J. B. Oswald, Henry Frankel, Max Freiburger and A. W. Neale. W. J. Beggs, formerly of Cleveland, but now vice-president of the Western Fire of Fort Scott, Kans., formed a part of the Cleveland delegation at the banquet.

Fix Ohio Field Club Date

Announcement was made Tuesday that the Union and Bureau field clubs of Ohio have definitely decided on July 5-7 as the date for their joint summer meeting at Cedar Point.

Toledo Agency Election

TOLEDO, O., April 20—The Barker, Frost & Chapman Co. announces that

Paul H. Chapman has been elected president, succeeding his father, L. L. D. Chapman, recently deceased, John J. Lovett was elected vice-president and treasurer, Alfred J. Kaltenbach, assistant treasurer and Clarence J. Mallory, secretary. Mr. Chapman has been closely associated with the company for the past 12 years, with the exception of an interruption during the world war.

The Barker, Frost & Chapman Co. has been engaged in the insurance business continuously since 1878, when it conducted operations in the firm name of Barker & Frost. Later on Mr. Chapman was admitted to the firm and for a short time C. F. Wall, but in 1912 the corporation was formed under the name of the Barker, Frost & Chapman Co.

West Virginia Legislation

CHARLESTON, W. VA., April 19.—The uniform arson bill has been made a law in West Virginia.

Senator Henshaw's bill to give the insurance department some supervision over rates has passed over to the house where an effort will be made to defeat it. This bill is closely modeled on the Indiana statute.

The insurance committee of the lower house reported adversely on the bill submitted by the reciprocals, and the effort to get into West Virginia was again defeated. The reciprocal interests do not want admittance except on their own terms.

Resume Blue Goose Luncheons

The Ohio Blue Goose has resumed its weekly luncheons at the Neil House, Columbus, O. They were discontinued for a time but due to the demand from the ganders the officers arranged that they be held again.

Cincinnati Delegates

Cincinnati delegates to the mid-winter conference of the National Association of Insurance Agents, meeting in Chicago this week, are Earl Wagner, W. S. Hukill, William Stradelman, Joseph Schweer and Arthur Clemons.

Ransom Opens Agency

C. O. Ransom, for the past several years vice-president for the James & Manchester Company at Cleveland, has retired to establish the agency of Ransom & Co., at 830 Vincent avenue, that city.

Probe Cleveland Explosions

CLEVELAND, April 19.—State and city fire marshals are investigating two mysterious explosions here last week, one in the paint and lacquer plant of Patterson-Sargent Company, Hamilton avenue and East 38th street, and the other at the home of James C. Pettie, 11610 Edgewater Drive.

Following the explosion in the Patterson-Sargent Co. plant, fire spread quickly through the lacquer plant, resulting in a loss of more than \$20,000. Officials of the company declare that they are unable to account for the explosion, as all materials used in connection with the manufacture of the lacquer are carefully guarded under lock and key and no electric wires of any kind extended through this part of the plant.

Ohio Notes

The Mantonya & Clark agency and the Warner & Weaver agency at Utica, O., have been consolidated and will be known as the Utica Insurance Agency.

C. T. Estebrook, for several years engaged in the general insurance business of Cleveland, died at his home there last week. Mr. Estebrook maintained offices with Hopkinson, Burridge & Pearce.

The Evarts-Tremaine-Flicker Co. agency will move May 1 from its present location at 1902 Guarantee Title building, Cleveland, to the eighth floor of the Union Trust building, where it will have much greater space.

Fire in the plant of the Berger Manufacturing Company in Canton, O., caused a loss of \$500,000. It is said that a spark from a machine fell in a vat of paint, causing the fire. Finished material and loaded railroad cars were consumed also.

A. A. Campbell, who has been associated with the Harmon Insurance Agency at Oshkosh, Wis., for nine years, has severed his connection with that organization and is now opening his own agency. He will represent the Continental Casualty and the Continental Assurance as district agent for Winnebago county, and in addition has a strong lineup of fire companies.



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Saint Paul Fire & Marine Insurance Co.

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CASH CAPITAL, \$500,000.00

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In a good many insurance offices there is a definitely felt need for a strongly backed, progressive, fire company to take care of the increased volume of the growing agency.

The East and West is such a company, sponsored by the old reliable Security Insurance Company of New Haven which has an enviable record dating back to 1841. The East and West is a strong, growing company writing Fire, Lightning, Tornado and Automobile insurance, the kind of Company you will be glad to have in your agency.

**Owned by and under the Management of
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Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

CENTRAL WESTERN STATES

FIRE BELIEVED INCENDIARY

Michigan State Police Obtain Confession That Arson Plot Was Basis of \$350,000 Blaze

LANSING, MICH., April 20.—An arson plot to burn a single cottage for the insurance money wiped out nearly two score cottages at Macatawa Park, near Holland, Mich., causing a total loss of \$350,000, according to confession of a Grand Rapids man now in custody of state police.

Immediately following the fire investigation was begun by insurance men, local authorities and state police. Fred G. Armstrong, chief of the secret service division of the state force and one of the state's leading arson investigators, was reached by Grand Rapids insurance men through the insurance department here. Shortly after his arrival he uncovered clues that resulted in the arrest of two men, the confession of one, and the apparent implication of a cottage owner. James L. Eckert, former owner of a Grand Rapids restaurant and recently a prisoner at Leavenworth penitentiary and Earl Childs of Grandville are the men in custody.

Admits Knowledge of Fire

Eckert after a grilling admitted knowledge of the fire and dictated a statement involving Childs and the cottage owner. Eckert declared the cottage owner came to the restaurant where he was employed and said he would like to have a "Jew sale" of his Macatawa Park cottage. Eckert said he told Childs of the situation and that the latter agreed to set the fire if Eckert would show him how to make a "slow match." Eckert demonstrated, but later, he maintained, advised against setting the blaze when Childs declared intention of doing it for payment of \$500. Eckert said he grew doubtful of the cottage owner's ability to pay and told Childs he would have nothing more to do with it. He knew nothing further of the fire until he read of it in the papers, he said.

Childs would not admit firing the cottage, declaring, however, that when he learned of the blaze he thought it expedient to visit a cottage owner whom he had heard express a wish for a fire in the hope of collecting something through stating he had set the blaze.

Full Investigation Asked

Detective Armstrong has asked for a thorough investigation of the alleged plot to be directed by the attorney general's department. It was announced from that department today that every assistance would be given the department of public safety in following up the case.

It was at first thought the fire might have started in a cottage where a number of young people were holding a house party. Because of this supposition the Macatawa Park Cottage Owners' Association met after the blaze and ordered the lighthouse keeper who acts as watchman over the property to put a complete ban on further house parties at the resort during the off season.

This is the fourth serious fire at the resort in the last few years. On June 16, 1922, 30 cottages were destroyed with a \$200,000 loss; on Nov. 6, 1923, the large Ottawa Beach hotel burned, and more than 50 cottages were destroyed in a fire April 18, 1925, this loss being \$250,000.

Indiana Agents' Meeting

The annual meeting of the Indiana Association of Insurance Agents will be held at Indianapolis this year, some time following the convention of the National Association in October. Joseph W. Stickney of Indianapolis, the president, has been a very active official and has made the influence of the association felt throughout the state. He is attending this week the mid-year conference of the National association in Chicago.

DISTILLERIES ARE CONVERTED

Former Basic Industrial Plants of Peoria Used as Manufactories of Variety of Products

In an article in a recent issue of Inspection News, published by the Retail Credit Company of Atlanta, M. E. Weatherbee, city manager of Peoria, Ill., tells how his city's industrial character has altered—for the better—since the Volstead act went into effect and the distilleries, Peoria's principal industrial plants before prohibition, were closed.

For a time after the act became effective Peoria went into a slump and many families left the city. But the well-equipped distilleries were not long left idle. One of the largest was taken over by a firm engaged in manufacturing solvents. This firm has prospered and now ships its product all over the world. Another large distillery was acquired by a firm that manufactures stock feed and has developed its business into one of importance to the city and a wide expanse of surrounding territory.

Still other plants were converted, and, the manager writes, have been developed for the economic benefit of the city. Formerly the distillery workers turned back to the distilleries a large part of their earnings. The money thus wasted is used today for home building and other positive purposes, and a larger and better city is the result.

Fix Annual Meeting Date

The annual meeting of the Illinois Field Club will be held at Delavan Lake, Wis., June 28-29, which is the same time that the annual gathering of the Illinois State Board is to be held.

Favor Bill on Unauthorized Insurance

LANSING, MICH., April 19.—Tightening up of the Michigan insurance department's powers so that unauthorized companies will find it almost impossible to do business in this state, except as recourse for such lines as licensed companies turn down, is seen if the legislature approved the bill sponsored by the department and introduced by Representative Simpson of Jackson. The measure approves the bill sponsored by the house insurance committee and almost immediately advanced to third reading without material amendment.

The bill's "kick" is contained in the provision that the buyer as well as the seller of unauthorized insurance may be heavily penalized. Besides this provision the bill is designed to force all reciprocals licensed in this state to pay the usual filing fee required when they submit their annual statements to the department. One exchange has persistently refused to pay this nominal fee in the past, it is said.

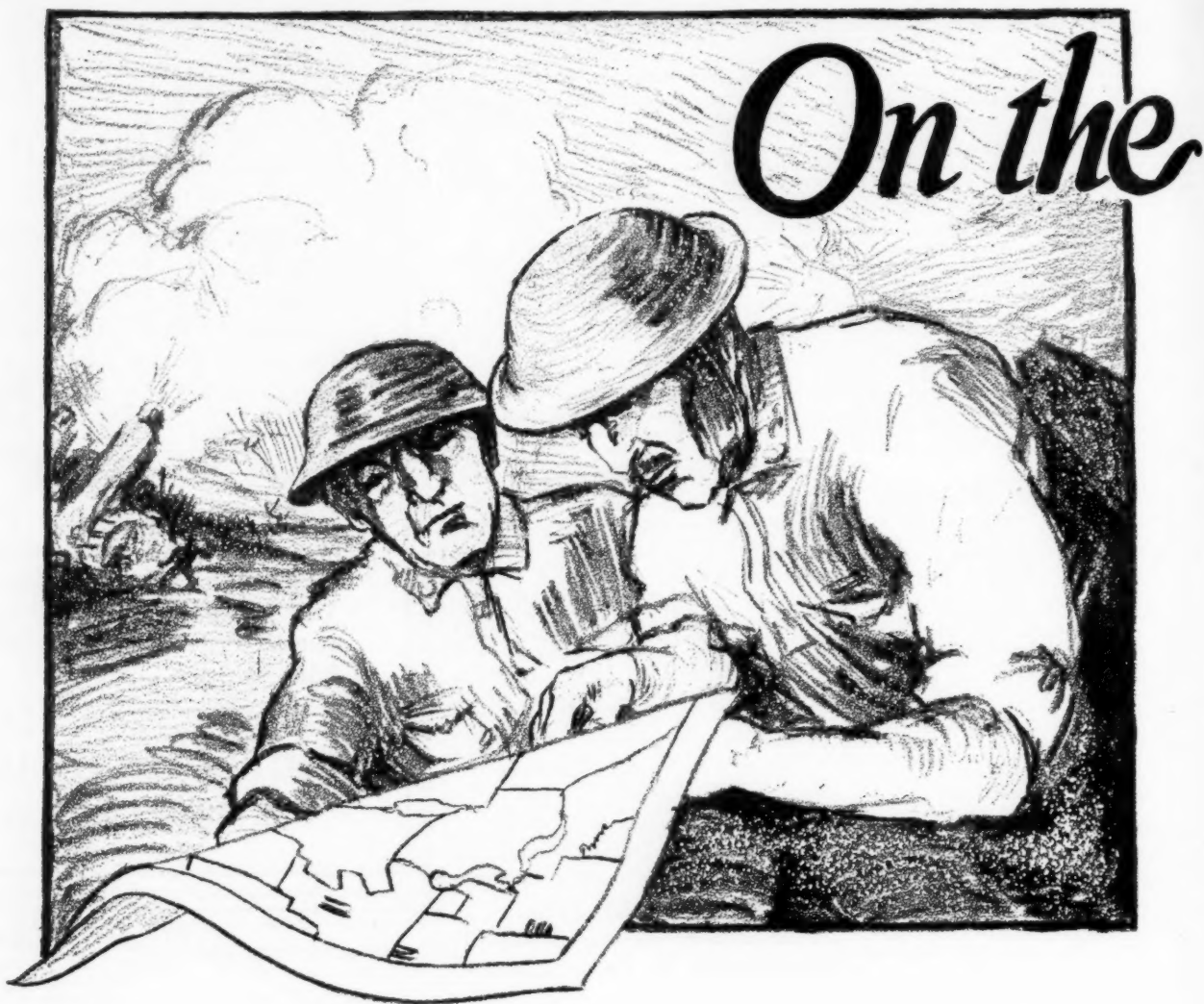
Indiana Blue Goose Party

The committee on arrangements for the annual party of the Indiana Blue Goose to be held next Monday evening in Indianapolis is sparing no effort to make this one of the outstanding social events in the history of the pond. Every provision is being made for the enjoyment of those who attend and exceptionally good music has been secured for the dinner hour and for the following period of dancing. There will also be cards for those who prefer that form of entertainment. William L. Leonard, chairman, and the other members of the committee, are urging a large attendance as this is the big opportunity of the year for the members and their wives to meet their associates in the field socially, and especially to welcome into the field those who are newcomers.

Company Knew of Removal

When Personal Property Removed from Residence Covered by Oral Agreement of Insurance Company's Agent—Action on a policy insuring plaintiff's household goods and personal effects. Plaintiff testified that he had told the general agent of the defendant company

XUM



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Last year a billion and a half dollars of values were sprinklered. Six hundred millions of these values went to the mutuals. Big city brokers got a big proportion of the rest.

Yet, mutuals and brokers agree that they are helpless against the local agent who will give service. Let The Phillips Company help you.

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The Phillips Company has expert representatives at central points. A letter or postal card to the head office in Chicago will be referred at once to the nearest representative who will get into direct touch with you immediately.

If you prefer, a tentative proposition can be supplied without even disclosing the name of the risk, and placed in your hands for review and presentation to your customer.

Telegraph, or phone long distance Randolph 2208, or 2209, at our expense whenever you want particularly quick action.

The Phillips

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Battle Map of Your Competitor

A Statement from an agency which in five years has grown, from a standing start, to over \$165,000 in premiums, including fire and casualty.

"FRANKLY, I am out after the business, and if my competitors are asleep on the job, I feel that I am entirely within my rights in going after their business.

"When I go after a line, I first look for the things that the other fellow has overlooked. Frequently I find that policies are improperly written. Often I can see where some improvement will reduce the rate, and save the assured money.

"When I find a risk with good values which has not been sprinklered, I know that my chances of getting the business are good. I find out what sprinklers would do to the rate; talk sprinklers to the assured; point out that their installation will not cost him a cent, as they can be paid for out of the saving in premium; show him how much better off and safer his business will be under automatic sprinkler protection, aside from the

saving in premiums; get a survey made; and usually get the line.

"A \$100,000 risk, at a 20c rate or less, does not look as if it were worth all this work. But that is only the beginning. I have established an account. My further recommendations are taken seriously, and given thorough consideration. Almost invariably other business follows: Use and Occupancy, Sprinkler Leakage, Compensation, Bonds, Automobiles, etc. The fire line is just a start."

That's the whole secret of our growth: intelligent, broad-minded service to the assured—putting his interest ahead of our own immediate interests. We study his problem, and secure for him the lowest rate possible for adequate, sound protection.

A Policy and a Pledge

THE PHILLIPS COMPANY of Chicago has been financing the installation of automatic sprinkler systems since 1903. THE PHILLIPS COMPANY is not an insurance broker and has no connection or affiliation with any insurance office. Local agents can therefore consult with us freely as our policy protects their insurance relations with their customers.

THE PHILLIPS COMPANY can give references from your company or companies and from THE NATIONAL UNDERWRITER, which would not accept our advertising until convinced that our plan of operations did not in

any way conflict with the principles of agency practice now universally recognized.

THE PHILLIPS COMPANY, upon the high principles here set forth, will install automatic sprinklers in the plants of your customers upon a liberal plan of deferred payments out of the savings in premium for the superior protection thus afforded.

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E. J. PHILLIPS, Vice-President
B. E. PHILLIPS, Sec'y-Treas.

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Washington Irving
too, had faith in the Future of
THE HANOVER
He was among its first stockholders
THE HANOVER FIRE
INSURANCE COMPANY of New York
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being checked over at the association headquarters in Milwaukee, and a report on them will be given at the inspection the association will hold in Waukesha early in May.

MAY PASS LICENSE FEE BILL

Favorable Action Taken in Wisconsin Legislature on Several Other Insurance Measures

MADISON, WIS., April 20.—The bill in the Wisconsin legislature known as 123-S, which regulates license fees of insurance companies other than life has been returned to the assembly by its committee on insurance and banking with the recommendation that the assembly concur with the senate on it.

The bill provides for all license fees and taxes levied under any provision of the law upon gross premium other than life against any insurance company or other insurer shall be uniformly calculated on the amount of gross premiums received for direct insurance less return premiums and cancellations and returns from savings and gains on direct insurance by such company or other insurer during the preceding year in Wisconsin.

Passage was recommended for bill 125-S which relates to the adjustment of losses in the state fire fund and 398-A, which relates to registered town mutuals.

The assembly defeated the Coleman bill by a vote of 36 to 31, which would extend state insurance to individuals as well as permitting the state to issue insurance policies for hail and tornado.

Another bill of interest to fire companies is the one which provides that 2 percent of the premiums paid into the state fire fund shall be paid to the municipalities which furnish fire protection to such property. This bill was passed by the assembly and has now gone to the senate.

Codifying North Dakota Laws

Commissioner Olsness of North Dakota is directing the codification of all the insurance laws now in effect in the state. The volume has been indexed and proof is being read by Mr. Olsness's staff of employees. The last codification of the state insurance laws was made in 1915.

Wisconsin Union Field Meeting

MILWAUKEE, April 19.—The annual meeting of the Wisconsin Fire Underwriters' Association, the Union organization, will be held June 21-23 at Delavan Lake, Wis. It will be held in conjunction with the annual spring splash of the Wisconsin Blue Goose.

The Wisconsin Insurance Club, Bureau group, will also hold its meeting there on the same date, as previously announced.

Send Committee to Washington

MILWAUKEE, April 19.—The committee which has been appointed to represent Milwaukee at Washington, D. C., May 2 when the awards for the Inter-Chamber Fire Waste Council of the Chamber of Commerce of the United States will be given are Frank R. Daniel, chairman of the fire prevention committee of the safety division, Milwaukee Association of Commerce; L. A. Van Toor, vice-chairman, representing the Milwaukee fire department on the fire prevention committee; Henry Eckstein of the Milwaukee Board, and Paul E. Rudd, state agent for the Aetna in Wisconsin, representing the Wisconsin Fire Prevention Association.

Milwaukee won first place in the national fire waste contest for 1926 in cities of the first class, showing that the work of the Association of Commerce has brought material results.

Failed to Carry Insurance

ST. PAUL, April 19.—Ramsey county will be unable to collect any insurance on the children's preventorium, which was partly destroyed by fire recently. Although the association which had charge of the institution included some of the leading bankers and business men of the city, they neglected to carry the insurance as specified in their contract

with the county. It develops that no insurance has been carried on the property since 1921.

Rose Joins Kemper Organization

R. M. Rose has resigned as chief rater of the Wisconsin insurance department, a position which he has held for the past four years, and has joined the organization of James S. Kemper & Co. Mr. Rose's new connection will keep him in Wisconsin where he is widely known due to his activities in the insurance field during the past eight years. Before going to the insurance department, Mr. Rose was an expert rater and insurance engineer on the staff of the Wisconsin Inspection Bureau.

The mutual companies represented by James S. Kemper & Co., have combined assets of over \$46,000,000 and operate in practically every state in the Union.

Issues New U. & O. Rules

MILWAUKEE, April 19.—The Wisconsin Inspection Bureau has just issued revised rules relative to the writing of use and occupancy and other contingent forms of insurance. The principal changes include the use of the new co-insurance and monthly forms.

Explosion in Dye Works

MILWAUKEE, April 19 — Benzine fumes in a cleaning drum exploded at the plant of the Novelty Dye Works here on two successive days last week. The theory given for the cause of the explosions is that static electricity which generated in the revolving drum caused the benzine fumes to explode with a puff and envelope everything nearby. It is believed that the humidity of the air had dropped and, according to fire department officials, such explosions are imminent in plants of this kind whenever the humidity in the cleaning or drying rooms drops below 65 or 70 percent of that of the air outside.

There was little damage by fire, the flames being confined mostly to the drum which contained an amount of expensive women's clothing.

Fire Marshal Reappointed

Reappointment of E. J. Pepke as state fire marshal of North Dakota has been announced by Governor Sorlie. Sander Peterson was reappointed first assistant fire marshal.

North Dakota Cleanup Campaign

Cleanup campaigns to reduce fire hazards and improve the appearance of North Dakota cities and towns will be the rule during the third week of April if city fathers throughout the state heed the appeal sent out by E. J. Pepke, state fire marshal. Minot is carrying on an intensive drive for cleanup week and features a city-wide search by 100 Boy Scouts for unsightly ashes and litter. Fargo is endeavoring to establish a new record in the field of endeavor this year and is promised the full support of the city government.

Minnesota Blue Goose Plans

The Minnesota Blue Goose will likely hold its summer outing at Dickinson Inn, Alexandria, Minn., June 22-23, although definite plans have not been completed. It is stated that the Dakota Blue Goose intends to meet at the Blake hotel at Alexandria, which is about two miles from the Dickinson Inn, and has invited the Winnipeg ganders to join it. The Minnesota Blue Goose desires to cooperate with the Dakota and Winnipeg pond, so that there can be a general gathering. If this can be brought about it will be a new feature. It will undoubtedly draw a number of celebrities in the business to Alexandria.

Will Inspect Farm Properties

An innovation in fire prevention work, and one that will be watched with much interest in other states, is to be inaugurated by the farm committee of the Wisconsin State Fire Prevention Association next month, when all of the farm properties in Sun Prairie township, near Madison, will be inspected May 25-26. Several of those connected with the College of Agriculture of the University of Wisconsin have signified their intention of being present at a preliminary meeting at Madison the evening of May 24, as have also the superintendents of the farm departments of several of the companies. The manager of the Wisconsin Power & Light Company at Madison is

planning to have a representative at the meeting May 24 and has expressed his willingness to cooperate in every way possible in the activity.

Dakota Notes

The South Dakota State Fire Prevention Association will inspect DeSmet, April 28.

The inspection of Aberdeen by the South Dakota State Fire Prevention Association, which had been scheduled for Wednesday and Thursday of last week, has been postponed to May 5-6.

The Ashton township schoolhouse, near Jamestown, N. D., was totally destroyed by fire believed to have been of

incendiary origin. E. J. Pepke of Minot, state fire marshal, went to Jamestown to aid in the investigation.

Charles Wilson, former manager of an elevator at McHenry, N. D., has been sentenced to 1½ years in the state penitentiary on an arson charge. State Fire Marshal Pepke said Wilson had confessed to an attempt to fire the elevator in an effort to cover up alleged grain shortage.

William S. Swenson, examiner for the Twin City Fire, died at his home in Minneapolis, following a stroke of apoplexy, last Friday. He was 35 years old. During the World War he served in the marine corps.

IN THE MISSOURI VALLEY

WILL WRITE CROP INSURANCE TAKE ADJUSTING COMPANY

New Company Incorporated at Topeka Proposes to Protect Farmer Against All Hazards

TOPEKA, KAN., April 20.—The Agricultural Crop Insurance Company of Topeka has been incorporated by the state charter board. It has a capital of \$100,000 and the purposes named in the charter are: "The writing of insurance on houses and buildings and all other kinds of property, growing crops, against loss or damage by fire, lightning, tornado, cyclone, windstorm, hail and any other accident or casualty."

The incorporators of the company are A. L. Sowers of Topeka, well known in mutual insurance circles and the manager of successful companies in this state; W. E. Mueller, farmer of Topeka; C. D. Foster, farmer, banker, former member of the legislature and former member of the state tax commission; J. R. Thorne of Olathe, state senator and member of the commission which wrote the new insurance code, and H. F. Sutton of Kingman, lawyer and former senator.

The company is going into the crop insurance business chiefly and the insurance on buildings will be incidental to the crop business. It proposes to write insurance against loss or damage on crops from hail, insects, dry weather, too much rain, excessive snow, dust or any other causes that may damage crops. The business is to be written on an entirely new basis, the company only guaranteeing to the farmer that he will get a sufficient crop to pay him for his labor, seed and land rentals.

Heart of America Blue Goose

KANSAS CITY, MO., April 19.—The Heart of America Blue Goose held its annual meeting April 16. The officers for the coming year are: R. L. Kimbly, state agent National-Ben Franklin, most loyal gander; T. H. Carlton, Queen, supervisor; H. B. Henry, Great American, custodian; C. E. Bean, Continental, guardian; Frank Melton, welder; Paul Chandler, keeper. Otto Ramseyer and E. D. Marr were elected delegates to the grand nest meeting. Four candidates were initiated.

Most Loyal Grand Gander Wirt Leake was the guest of honor at the banquet and dance, with 129 in attendance. W. O. Woodsmall, acting in behalf of the pond, presented Mr. Leake with a silver water pitcher. The retiring welder, W. G. Chestnut, was presented with a carafe set by Clarence Bean, on behalf of the pond. The musical numbers were given by wives and daughters of members of the pond. Miss Blanche Battershill, daughter of John Battershill; Mrs. A. B. Harris, wife of A. B. Harris, and Miss Virginia Henry, daughter of Howard Henry, were the soloists.

St. Louis Losses Reduced

ST. LOUIS, April 19.—Director of Public Safety Brod of St. Louis addressed the Traffic Club here last week. Commenting upon improvements made recently by the fire department, Director Brod asserted that for the first ten months of 1926 the fire loss in St. Louis showed a falling off of \$639,000 in the total losses and \$380,000 in the insurance loss compared with the same period in 1925.

John W. McKay and J. B. Ruthmeyer Have Purchased St. Louis Business Operated by James E. McCann

ST. LOUIS, April 20.—The St. Louis Adjusting Company, Pierce building, St. Louis, is taken over by John W. McKay, formerly manager of the St. Louis branch office of the Western Adjustment, and J. B. Ruthmeyer, formerly assistant manager of the St. Louis office of the Underwriters Adjusting Company.

James E. McCann, founder of the St. Louis Adjusting Company, in confirming the sale of his interests to McKay & Ruthmeyer, stated because of his health it was necessary for him to leave St. Louis, which necessitated the disposal of his St. Louis business interest. He plans to move shortly to San Antonio, Texas, and in the near future will probably open an adjusting office in that city.

Well Known as Adjuster

Mr. McCann is very well known throughout the south and prior to coming to St. Louis five years ago operated an independent adjusting office in Montgomery, Ala. He also had charge of a crew of adjusters at Miami, following the hurricane.

Mr. Ruthmeyer has had 12 years' experience as a loss adjuster. He obtained his initial training in that respect in the loss department of the American Central in St. Louis. For the past three years he has been assistant manager of the Underwriters Adjusting office here. He was also with the Western Adjustment for four years

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Fred C. Van Dusen, President
Walter C. Leach, Sec'y and Treas.

John D. M. McMillan, Vice-Pres.
F. M. Merigold, Ass't Sec'y.

FIRE—TORNADO—THRESHER—AUTOMOBILE INSURANCE

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Make a success of this April campaign for liability insurance and thereby safeguard both the public and your insurance business. There is a purpose behind this drive.

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This is Automobile Insurance Month. Join the drive and push liability insurance for all you're worth. It will pay you to put this thing over with a bang!

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GEORGE E. KRECH, Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

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INSURANCE COMPANY

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Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky,
Michigan, Tennessee, Kansas, Indiana and Florida.

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Sec'y & Mgr.

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MILWAUKEE, WISCONSIN

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SAFE SOLID SOUND

R. M. BISSELL, President WILLIAM WALSH, Secretary

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General Adjusters for Insurance Companies
Fire, Windstorm, Automobile and Theft Claims
Missouri, St. Louis, Illinois or Special Assignments anywhere
27 years' experience

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and also served four years with the Bentley adjusting organization.

Mr. McKay was made manager of the St. Louis branch of the Western Adjustment about a year ago when Joe K. Nelson was promoted to assistant general manager and transferred to Chicago. Prior to coming to St. Louis he was with the Western at Kansas City for five years, the last two years as manager.

The new owners plan to continue the business under the name of the St. Louis Adjusting Company and will retain Mr. McCann's staff of adjusters.

IOWA BLUE GOOSE MEETING

Annual Gathering Held in Des Moines
Is Featured by Lively and
Interesting Program

DES MOINES, April 20.—The annual meeting of the Iowa Blue Goose, with banquet, initiation and election of officers, was enlivened by the presence of Most Loyal Grand Gander Wirt Leake of Dallas. He gave an eloquent and illuminating address upon the principles of the order and spoke enthusiastically of the prospects ahead for a greater development. Most Loyal Gander F. R. Sherman introduced Mr. Leake.

The election of officers exhibited much friendly rivalry and some heroic work was done by the friends of the candidates. Robert P. Osier, for several years welder, was chosen most loyal gander; Clarence Hathorn was named supervisor; R. R. Hufstader was reelected custodian; W. C. Hodge was chosen guardian; Frank B. Phillips was reelected keeper; A. C. Hall is the newly elected welder.

The goslings initiated were R. C. Fuller, Great American; C. D. Wherry, Hartford; Clayton Stevenson, State Auto Insurance association; O. G. Tonne, Agricultural; W. S. Dulaney, deputy insurance commissioner; W. L. Rae, Northwestern National. During the serving of the banquet a humorous program was featured under the direction of "Dutch" Smith, comedian extraordinary.

At the weekly blue goose luncheon the address was by Will H. Harrison, whose theme was automobile insurance. At the next luncheon E. M. Van Ness will be the speaker. At that meeting the date of the annual splash at Lake Okoboji will be announced.

QUESTIONNAIRE IS THOROUGH

Qualifications of Kansas Agents
Brought Out in Application
Blanks to Be Issued

TOPEKA, KAN., April 20.—The application forms for Kansas agents, which will soon be ready for distribution to the companies for use when the new insurance code becomes effective June 1, contain among others the following questions:

What experience or training have you had in the insurance business? If no experience or training, are you to receive immediate instruction?

Do you intend to devote your entire time to soliciting insurance? If not all, what portion of your time? In what other business will you be engaged?

If you do not intend to devote your time wholly to soliciting insurance, how much insurance do you expect to write during the coming year for yourself, relatives, employers, employees or associates in business?

Do you understand that it is illegal to rebate, twist policies, misrepresent policy conditions, sell or assign premium notes prior to delivery of the policy, to withhold net premiums after demand has been made therefor, or to misrepresent the standing or condition of any insurance policy?

Have you studied and are you familiar with the insurance laws of Kansas pertaining to agents? Are you familiar with the provisions, terms and con-

ditions of the policies you intend to sell?

Are you now indebted to any insurance company or agency heretofore represented by you? If so, state exactly what the indebtedness represents and the amount thereof.

Has a license applied for by you ever been refused, suspended or revoked by the insurance department of this or any other state? If so, give particulars.

NEW FARM FIRES CAMPAIGN

Plan to Interest Rural School Children
in Fire Prevention Movement Is
Launched in Iowa

DES MOINES, April 20.—A plan to interest several thousand rural school children and boys' and girls' club members in the prevention of farm fires was formulated by the Iowa members of the agricultural committee of the National Fire Waste council in a meeting here Saturday.

The program outlined by the committee calls for a statewide essay contest on the general topic of fire prevention on the farm. It was pointed out that farm property losses in the United States average \$150,000,000 annually, with an attendant loss of 12,000 lives every year. A number of attractive cash prizes will be offered for the best essays. It is probable that local winners will be selected, then county winners, and finally the winner of the state contest.

Miss Jessie Parker, rural school inspector, represented Miss Agnes Samuelson, state superintendent of public instruction, at the meeting. She agreed to take the matter up at once with the department, and expressed the belief that the plan will meet with the approval of Miss Samuelson. At the same time, a committee was appointed to take the matter up with R. K. Bliss, head of the extension department at Iowa State College, and with Paul Taff, state boys' club leader.

The committee is composed of representatives of the stock fire insurance companies writing business in Iowa. A. F. Rathbun of the Home of New York is chairman of the committee, and Clark E. Daniels, America Fore group, is secretary. The plan will be submitted at once to I. D. Goss of Chicago, chairman of the agricultural committee of the National Fire Waste Council, with the idea of having it adopted in all of the midwestern states.

No Valued Policy Law Change

LINCOLN, NEB., April 20.—The amendments to the valued policy law were rejected by the senate, after an animated debate. These proposed that where a property owner had knowingly over-insured his holdings, he could not recover any more than the insurance company holding the risk could prove the destroyed property to be worth, and that the company shall have in all cases the right to replace the property at its option.

Bill for Hail Plan Killed

LINCOLN, NEB., April 20.—Among the insurance bills introduced into the house which died when in the last days of the session it was voted to clean up the calendar by indefinitely postponing all in committee hands, was the O'Gara bill, understood to contain the ideas of P. F. Zimmer, veteran hail insurance man. This provided for assessment hail companies being organized with a 50 percent reserve fund of premiums or assessments, with rates 1 percent below those of stock companies, if paid in advance only, and to follow them when not. The state was to be divided into districts of five or more counties.

Shea & McCord Move

Shea & McCord of Kansas City, Mo., have opened new offices at 312 New York Life building. The formal opening was on Wednesday of this week. The Shea & McCord agency was organized in July, 1925, but it has grown so rapidly that it has become necessary for it to secure larger quarters. Its new office in the New York Life building affords double the space it formerly had. Shea & McCord are general agents for the Hart-

ford Accident, the Home of New York, New York Underwriters and Great American.

Des Moines Offices Moved

DES MOINES, April 19.—The Iowa National Fire has leased 2,800 square feet on the seventh floor of the Insurance Exchange building. The offices of the company are now in the Valley National Bank building. The new offices are to be completely rebuilt and redecorated to suit the needs of the company. W. H. Faulkner, Homer Templeton, L. W. Rich and Fred Cook of the Crum & Forster group, who have had their offices on the seventh floor of the Insurance Exchange building for the past three years, will move into enlarged rooms built especially for their needs on the fifth floor of the same building. The rooms they occupied on the seventh floor are a part of the space to be used by the Iowa National.

Plan Kansas Inspections

Two town inspections will be conducted by the Kansas State Fire Prevention Association May 11, Herrington and Council Grove.

Little Missouri Legislation

JEFFERSON CITY, MO., April 20.—The Missouri legislature has adjourned after having passed seven insurance laws. There were 45 insurance bills introduced in both branches of the legislature but 33 fell by the wayside. The fire marshal bill failed in the house. Firemen's pension bills were introduced in both the house and the senate and did not get very far.

Among the bills which passed and will become laws 90 days after adjournment are those to allow casualty companies to issue jewelers block policies, and allowing farmers mutuals to levy assessments each year for anticipated losses.

The most important bills passed were life insurance measures.

Agency Has Safety Display

KANSAS CITY, MO., April 19.—At the recent meeting of the Central States Safety Congress in this city, the O'Brien-Hobart Agency had an interesting display, showing a map of Kansas City seven feet by eight feet. Crosses at the spots where accidents occurred indicated the number of deaths by automobiles in this city in 1926. Children under 15 were indicated by a cross edged with black, and all over 15 were indicated by a cross of a different color. The display was a vivid lesson in safety.

Local Board at Boone, Ia.

Fire insurance agents of Boone, Ia., have completed the formation of a permanent organization to be known as the Boone Insurance Underwriters.

The following officers were elected:

President, Mack Waldman; vice-president, Harry A. Houghton; secretary-treasurer, Claude W. Houghton. John Herron, Earl Carlin and W. E. Ewing were elected members of the executive committee.

Secure Dry Cleaners Ordinance

With the aid of the fire department and the Master Dry Cleaners Association, the St. Joseph (Mo.) Fire Prevention Bureau has succeeded in having an ordinance passed, providing for the construction, location and regulation of dry cleaning and pressing establishments.

Nebraska Notes

Ed P. Davis, Iowa state agent for the National Security Fire of Omaha, was a visitor at the home office last week.

Fire of unknown origin gutted the Fred Morris garage at Cambridge, Neb., the night of April 14, inflicting a loss estimated at \$6,000, with insurance of \$2,500. Three new cars and a number of used autos were destroyed. The Morris family lived above the garage. Their household goods and personal belongings were destroyed.

Missouri Notes

Fire of undetermined origin, on the night of April 16, swept the one-story brick building occupied by the N. Jost Cork & Supply Company, 107-111 Elm street, St. Louis. The damage was placed at \$25,000.

Miss Helen Doyle, a member of the sales force of Lyle Stephenson, was recently elected president of the Business & Professional Women's Club, the largest business women's club in Kansas City, with a membership of 500. Miss Doyle is one of the outstanding women in the insurance field in that city.

A loss of \$50,000 resulted from a fire which swept through six business houses at Shelbyville, Mo., April 13. The buildings were all two-story brick structures. The fire started in Taylor Brothers grocery and soon spread to the Edelen dry goods store, Shelbyville Telephone Company office above the Taylor store, A. M. Friest drug store, Masonic Hall, J. D. Dale's law offices.

Fire thought to be due to defective electric wiring swept two business buildings at Springfield, Mo., last week and caused damage estimated at \$149,500. The Marx Clothing Company and the E. L. Hurlburt Kodak Company were the heaviest losers. Water caused damage estimated at \$25,000 to the stock of the McGregor-Noe Hardware Company, adjoining the Marx building.

Iowa Notes

Thayne Bailey has opened a general insurance agency at Belmond, Ia.

George B. Woodard has purchased the Roy L. Schroeder agency at West Union, Ia.

Harry K. Rogers, the fire clown, gave a two-day demonstration at Chariton, Ia., this week. One performance was given before an audience of more than 1,000 school children.

STATES OF THE SOUTHWEST

NO ESCAPE ON TECHNICALITY

Act of Adjuster Held to Sustain Finding That Company Waived Proof of Loss

In Hartford Fire vs. Ferguson, supreme court of Arkansas, 291 S. W. 60, the company issued a policy covering a stock of merchandise and fixtures. By the terms of the policy the insured was required, in the event of a loss, to submit sworn proof thereof within a certain time. A loss occurred, and the insured notified the insurance company of the fact, but did not furnish sworn proof of loss as required by the terms of the policy. However, upon notice of loss, the company sent its adjuster and he investigated the matter and informed the insured that he would return again in about ten days. The adjuster did not return, and the insured failed to comply with the policy with respect to filing proof of loss, and the insurance company denied liability on the ground of such failure.

A judgment was rendered in favor of the plaintiff. On appeal the higher court in reviewing the record, and in holding that the acts of the adjuster

were sufficient to sustain a finding that there had been a waiver of proof of loss, said: "The conduct of this agent justified the jury in finding that the appellant had waived the provisions of the policy requiring the formal proof of loss therein stipulated. The jury might have found that the conduct of the adjuster was tantamount to saying to the appellee that he had done all that was necessary and all that he could do to prove his loss."

"The appellee furnished the adjuster, who had the authority to adjust losses for the appellant, an inventory of the goods which had been damaged and lost, and asked the adjuster if there was any other information that he could furnish him in order to enable the company to settle. The adjuster led the appellee to believe that there was nothing further he could do at that time and that he (the adjuster) would return in 10 days or two weeks, which he never did, although the appellee requested him to do so."

Commissioner Approves Securities

In response to an inquiry from Commissioner Daniel of Texas, Assistant Attorney General Cousins has held that the responsibility for the approval of



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CAPITAL	\$650,000.00
SURPLUS TO	
POLICYHOLDERS	\$1,276,435.40

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The Fire Reassurance Company
of New York

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Clevelanders who are accustomed to the best the city affords, lunch and dine here every day and recommend this hotel to out-of-town friends. They consider it—as you will—more like a private club than a hotel. Yet rates for many rooms are as low as \$3, and a moderate priced lunch room supplements the main dining rooms.

Hotel Cleveland is on the Public Square, convenient to all parts of the city. Every room has private bath and servitor service.

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Rates are as follows:

Risk reports on life, accident, health, fidelity, burglary, automobile, fire and theft in Milwaukee county\$75
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Claim reports on accident, health or death.. 3.00
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No contract binds our clients. We depend on good service to hold your business.

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ROOMS

59 at \$2.00	257 at \$3.50
68 at 2.50	41 at 4.00
84 at 3.00	38 at 5.00

Suites and Special Rooms at \$6 to \$9.

W. B. CLARK, Manager

securities offered as deposit by insurance companies as required by the Texas law rests on the insurance commissioner rather than upon the state treasurer. The opinion stated that it rests with the insurance commissioner to inspect and to approve all securities offered for deposit by insurance companies, and that when they are approved, the state treasurer must accept them without any question, as his duty is merely that of a custodian.

Pay Annual Visit to Dallas

DALLAS, April 19.—More than 100 members of the Texas Blue Goose and local agents entertained the members of the state insurance department here last week. The officials present were T. M. Campbell, G. N. Holton and R. L. Daniel. Mr. Campbell is the newly appointed member of the insurance commission, and under the new law becomes fire insurance commissioner. Mr. Holton, former state fire marshal, is now the casualty commissioner, while Mr. Daniels, the present insurance commissioner, will have charge of life insurance activities. Mr. Daniel reminded the insurance men of the old adage, "the worst child is loved best" and said for that reason the commission loved Dallas.

The visit of the state officials to Dallas on invitation of the Texas pond is an annual affair and a time when the officials in the insurance department get the "inside information" concerning conditions in Dallas. The officials said it is a time when closer relations between the fire insurance men and the state are cemented.

Barrett With Continental

Arthur E. W. Barrett, special agent in northeast Texas for Gross R. Scruggs & Co., general agents at Dallas, is taking the San Antonio field for the Continental, effective May 1. Mr. Barrett has been with the Scruggs agency for several years, traveling in Texas, Arkansas and Louisiana at different times.

Observe Spring Fire Prevention Week

DALLAS, April 19.—In cooperation with the general plan of the National Board and National Fire Protection Association for a spring fire prevention week throughout the country, the Dallas Fire Prevention Council has arranged for an active campaign in that connection in this city this week. Radio, newspaper publicity and the removal of trash and rubbish by the city when accumulated will feature the occasion and it is expected that much good will result.

Texas Agents Meet in Dallas

Dallas agents are planning to make the annual convention of the Texas Association of Insurance Agents the greatest ever held. All local and general agents as well as company representatives in the state are requested to be present, accompanied by their wives. The Southwestern Passenger Agents Association has granted half fare on the return portion of railway tickets. The hotels have granted reduced rates. The meeting will be called to order at 10 a. m., June 9, at the Adolphus hotel. The speakers will be announced later.

Among the entertainment features are a dinner dance, theater parties for the ladies, golf and tennis, scenic drives and barbecue.

Form Blue Goose Bridge Club

Office managers and stenographers of the insurance offices in Muskogee, Okla., have formed a bridge club which is to be known as the Blue Goose Bridge Club, according to word received by Grand Wielder Paul E. Rudd from T. Ray Phillips, wielder of the Oklahoma pond.

Members are Mmes. Chad Kinsey, Oklahoma Insurance Bureau; Thelma Murray, C. C. Brents agency; Lora Coutts, H. G. House Co.; J. A. Hurt, J. A. Hurt agency; Misses Norma Harris and May-dee Bryant, Oklahoma Insurance Bureau; Ruby Estes, J. A. Hurt agency, and Maude Ferguson, H. G. House Co.

Adjusting Oklahoma Storm Losses

OKLAHOMA CITY, April 19.—Adjusters are busy taking care of losses incurred in a series of three serious wind and hail storms in Oklahoma within the past week. No estimate has been made on the losses, but it is believed they will exceed \$100,000. Many small losses are reported through wind and hail in Elk City and surrounding towns, Walters and surrounding towns, and Ardmore

and surrounding towns. The loss in the Elk City and Walters districts was largely due to hail, and around Ardmore the greatest damage was due to wind-storms and wind driven rain. The area covered was very large, it is said, and the losses small and scattered.

Aetna Officials Tour Southwest

OKLAHOMA CITY, April 19.—W. Ross McCain, vice-president of the Aetna Fire, and J. M. Waller, assistant secretary, are making a trip through the southwest territory. They were in the city several days to attend the conference of farm department representatives of the Aetna in Arkansas, Texas and Oklahoma.

Inspection of Weatherford

A demonstration and inspection conducted by the Oklahoma Fire Prevention Association at Weatherford, Okla., revealed that defective wiring and poor housekeeping were the greatest fire menaces existing in the city. The association held a farm fire prevention meeting which was attended by 500 farmers, according to the report of James A. Atkinson, secretary. Mr. Atkinson said that the farmers of Oklahoma are giving unqualified cooperation in the farm fire prevention work being done in the state and give attention 100 percent to the prevention talks given by the various members.

Ruling on Hotel Loss

OKLAHOMA CITY, April 19.—A recent decision of the supreme court held that a fire of unknown origin which originated in the basement of a hotel can not be considered occasioned by an irresistible, superhuman cause. The supreme court's ruling affirmed the action of the district court of Pittsburg county, in allowing three traveling men damages for personal property destroyed in a hotel fire. A statute provides that a hotel keeper is liable for loss on personal property, excepting by irresistible or superhuman cause.

Standardized Hose Couplings

AUSTIN, TEX., April 20.—Aided by a fund of \$5,000 set aside by the Texas legislature when it passed H. B. 300 standardizing fire hose couplings in the state, steps are now being taken by the fire insurance commission to inaugurate the new law in every city and town in Texas. It is estimated that fully two years will be needed to change the equipment in approximately 360 towns and cities from the old style to that of a fixed standard as set out in the law that is now in force.

Plan Clean-Up at Durant

Citizens of Durant, as well as of other towns in that vicinity where high loss ratios have prevailed for a good many years, are determined to organize and stop unnecessary fires, according to Fred C. Clarke, Oklahoma Fire Prevention Association member and state agent for the

Aetna. Thirty-five members attended the inspection at Durant. Members of the city council and the fire department frankly stated their belief that at least 50 percent of the fires could easily be avoided and that many of them were incendiary. Blame was placed on adjusters for too liberal and too prompt payment of questionable losses. Using Ardmore as a pattern, the citizens of Durant are determined that questionable fires shall receive attention of officials, and will make Durant an unhealthy place for anyone to have a deliberate fire.

An inspection is scheduled for Shawnee early in June.

Texas Credits and Penalties

AUSTIN, TEX., April 19.—The State Fire Insurance Commission has allowed Pearsall, Corpus Christi, Eden and Seagoville a credit of 15 percent on account of good fire record the past three years; 12 percent was allowed Matador, and 6 percent to Childress. Bonham received a credit of 3 percent. A charge of 15 percent was assessed against Megargel and Comanche, and 3 percent against Lorenzo.

Oklahoma Notes

Damage to the city power plant at Allen, Okla., resulting from fire recently was estimated at \$20,000. For a time water, light and gas supply were cut off because of the fire.

Announcement is made of the purchase of the interest of J. E. Milligan in the Milligan Brothers agency at Tonkawa, Okla., by A. R. Smith and D. F. Almack. The firm name has been changed to Smith & Almack.

E. E. Doggett, superintendent of agencies for T. E. Braniff Company, Oklahoma City, has returned from a three weeks trip to Texas, where the company is extending its operations, especially in and about San Antonio.

Texas Notes

George A. Cox has purchased the interest of E. D. Redman in the firm of Redman & Cox and has removed the offices to the American Exchange Bank building, Dallas, to become associated with Charles L. Dexter & Co.

Ten business concerns at Trent, Tex., were burned with loss of about \$100,000 when a string of buildings on Martin street was razed. Poor water pressure hindered the fire department and calls for chemical trucks from Sweetwater and Abilene failed to save the doomed block.

The two ice storage plants owned by the Rock Island lines and the General Engineering & Management Corporation at Dalhart, Tex., were destroyed by fire with loss of \$80,000. Fire started from tar buckets used in building a new \$300,000 plant adjoining the old structures.

One of the heaviest losses companies have had in Wisconsin since Jan. 1 occurred when the sawmill of the Faust Lumber Company at Antigo, Wis., formerly the property of the Langlade Lumber Company, burned with a loss of about \$100,000, fully covered by insurance. The mill has not been operated this season. The brick power house, containing valuable machinery, was saved.

IN THE SOUTHERN STATES

PLANS FOR ALABAMA RALLY

Program Is Now Being Arranged for the Annual Meeting of the Agents Association

BIRMINGHAM, ALA., April 20.—Plans are now being completed for the annual convention of the Alabama Association of Insurance Agents to be held at Montgomery, May 5-6. The principal speakers will be E. M. Allen, vice-president National Surety; T. Alfred Fleming of the National Board; Eugene Harrington, chairman executive committee of the National Association of Insurance Agents; Henry Swift Ives of Chicago, vice-president of the Casualty Information Clearing House, and Frank N. Julian, Alabama insurance commissioner. In addition some of the members of the Alabama senate and house will discuss the legislative situation. The Montgomery Board announces an unique entertainment program.

C. H. Doscher, field secretary of the National Association of Insurance Agents, is conducting a membership

campaign in Alabama. He has already secured about 25 new members. Anglin White of Birmingham, president, and Charles L. Gandy of this city, assistant secretary of the Alabama association, are in Chicago this week attending the mid-year conference of the National association.

PICTURES FUTURE AS BRIGHT

W. Eugene Harrington of Atlanta Addresses Tennessee Agents at Luncheon at Nashville

NASHVILLE, TENN., April 20.—Declaring that the future of the American insurance agents was never as bright as at this time, W. Eugene Harrington of Atlanta, chairman of the executive committee of the National Association of Insurance Agents, addressed the Tennessee Association of Insurance Agents and the Nashville Board at a special luncheon here Friday.

Mr. Harrington was introduced by Dudley Gale, president of the Nashville Board, as the man who was responsible

for the present high efficiency in insurance offices of the United States, and who was next in line for the presidency of the National association.

Mr. Harrington deplored the conditions of several years ago when he said companies were in a mad scramble for business, with the watchword "premiums." Such conditions, he said, led to the appointment of anyone as an agent, and that such appointments were often of men that were unqualified.

"It was only 12 or 14 months ago that the insurance companies did a 'right about face,' he said, 'and are now correcting the serious errors that were made in the fight for business. Today is a day of opportunity only for the skilled and educated agents. An insurance agent can now be proud of the position he holds in the world of business.'"

Work of the National association for the benefit of the agents was described by Mr. Harrington. One of the things for which companies should be grateful to the association, he said, is the successful fight waged against the plan to sell insurance on every automobile at the time of its purchase. Such a system would have destroyed over night practically all automobile fire and theft insurance, he said.

Mr. Harrington said the problem of branch offices was facing the insurance men today. He declared that many contend that the agency is cheaper, a branch office certainly can serve customers better and in the long run more cheaply.

Satisfactory solutions to all the problems now being faced by the insurance companies in the United States were predicted by Mr. Harrington.

LOSS CAME AFTER DEFAULT

Retention of Premium Note and Failure to Give Notice of Lapse Held Not to Validate Policy

In *Hartford Fire vs. Johnson*, Court of Appeals of Kentucky, 290 S. W. 673, the plaintiff gave an installment note in payment of the premium. The policy provided that the insurance should cease to be in force in case the plaintiff defaulted in the payment of any of the installments after they fell due.

Plaintiff defaulted in an installment but the company did not notify him of the lapse of the policy and retained the note. A loss occurred while the policy was in default, and the company denied liability.

The plaintiff took the position that because the company retained the note after it was due and did not give him notice of the lapse it should be held liable. The trial court rendered judgment in favor of the plaintiff. On appeal, the higher court in reversing this judgment, said:

"These premium installments must be paid to keep the insurance in force. The retention of the note after its maturity, the failure to demand the surrender of the lapsed policy for cancellation, the failure of the fire insurance company to notify Johnson that the policy had lapsed, and its refusal to accept payment of the premium installment after the fire are not sufficient to give validity to this insurance. . . . The judgment is reversed, and the fire insurance company is awarded a new trial."

Mississippi Agents' Meeting

The annual meeting of the Mississippi Association of Insurance Agents will be held at Gulfport, June 21-22. J. H. Johnson of Clarksdale is president of the association. He is attending the mid-year conference of the National association in Chicago this week. The meeting will be held at the New Markham hotel.

Heads Higinbotham Agency

Henry A. Steckler, formerly special agent in Louisiana for the St. Paul Fire & Marine, has been elected president of the Higinbotham general agency of New Orleans, to fill the vacancy caused by the death of H. T. Higinbotham. Joseph

I. Wagner, vice-president, and Mrs. Higinbotham are the other stockholders.

The general agency will continue to represent the Agricultural, Camden, Dixie Fire, Hanover, Northern of New York, State Assurance and Metropolitan Casualty.

South Carolina Meeting

The annual meeting of the South Carolina Association of Insurance Agents which was scheduled for June 25-26 at Charleston may be set forth one day and will likely be held June 26-27. President H. P. Moses explains the change on the ground that some of the speakers for his meeting will be at the New York state meeting, which conflicts with the South Carolina meeting. The South Carolina agents desire to get some of the National association talent and therefore may advance the date.

Virginia Merger Effective in 1928

When the bill providing for merger of the bureau of insurance with the division of banking passed the general assembly of Virginia recently it was generally understood that it would become effective 90 days after passage. It develops, however, that it carried a provision that it should not become effective until March 1, 1928. Salary of the director of the new division including both those departments will be fixed at the next regular session of the general assembly in January, 1928.

Tennessee Field Meeting

The annual meeting of the Tennessee Fire Underwriters' Association will be held June 8-9 at Signal Mountain, Tenn., near Chattanooga, it was decided by the executive committee of the association at a meeting held in Nashville Monday.

The association embraces practically all field men in the state and more than 125 are expected to attend. Headquarters will be at the Signal Mountain hotel.

Protests Dual Agency Exemption

RICHMOND, VA., April 19.—In protest against recent action of the Richmond board in amending its by-laws so as to exempt South Richmond from restrictions of the dual agency rule, Frank W. Laughton, local agent of this city, has resigned from the board. He regards the action of the board in recognizing South Richmond as separate territory in application of that rule as being at variance "with the well known principles of the National and state associations for which principles the associations have struggled for years."

Mr. Laughton had been connected with the board for 30 years, holding the office of secretary-treasurer part of this period. He has also been active in state association affairs, serving as chairman of the executive and membership committees of that organization.

Plan Louisville Publicity Campaign

LOUISVILLE, April 19.—The Louisville Board has voted favorably on a \$5,000 appropriation for conducting a publicity campaign in Louisville to acquaint the public with the fire insurance business and the insurance contract. Edward L. Sullivan, formerly director of publicity for the Home of New York, and more recently vice-president of the "Insurance Field," Louisville, has been secured by the board to handle the publicity campaign.

Report on Savannah

The report of the National Board on Savannah, Ga., states that the water supply from deep wells, has some unreliable features and is insufficiently developed. The quantities available are inadequate in the congested value district but are mainly adequate elsewhere. The fire department is well equipped, fairly strong and efficient. The fire alarm system has fair maintenance but is of improper type and with many features of unreliability. In the congested value district, weak construction and severe exposures make serious fires probable but no general conflagration should occur. The possibility of serious fires in the water front district, especially at the western end, emphasizes the necessity for a fire boat. In other districts the prevalence of incombustible

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STATEMENT JANUARY 1, 1927
CAPITAL

\$12,500,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,110,445.67

NET SURPLUS

17,628,138.96

ASSETS

53,238,584.63

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$30,128,138.96

LOSSES PAID POLICY HOLDERS

\$185,174,967.15

WESTERN DEPARTMENT

310 South Michigan Avenue, CHICAGO, ILL.

C. H. STREET, Vice-President

PROVIDENT Fire Insurance Company

A NEW HAMPSHIRE Corporation

Executive Offices

95 Maiden Lane, NEW YORK

DIRECTORS

JOHN HENRY HAMMOND, Brown Bros. & Co.
GEORGE WHITNEY, J. P. Morgan and Company
FREDERIC deP. FOSTER, Attorney, 34 Wall St.
S. SLOAN COLT, Vice-President, Farmers Loan & Trust Co.
RALPH E. CAME, Rochester, New Hampshire
BERNARD O. BOND, Vice-President and Treasurer, Rochester Trust Co.
GAYLE T. FORBUSH, President

OFFICERS

GAYLE T. FORBUSH, President ARTHUR WALLER, Vice-President
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The Metropolitan Motor Insurance Company

CLEVELAND, OHIO

An Ohio Company Writing Automobile Insurance Exclusively
Fire & Theft—Collision—Public Liability—Property Damage

OHIO AGENTS WANTED

A Company Who Truly Helps its Agents Sell
Automobile Insurance

DETROIT NATIONAL FIRE Insurance Company

231-233 John R. Street, DETROIT, MICHIGAN

GEO. K. MARCH, President and Gen. Mgr. WYNN C. GEROW, Secretary
JAS. M. TEAHEN, Treasurer M. E. BLACK, Assistant Secretary
ROBERT R. BUCKNELL, Assistant Secretary

roofs largely reduces the probability of sweeping fires, except in certain sections where construction is frame and congested.

According to the fire department records for the past five years, the average loss per fire was \$1,060, a high figure. Based on an average population of 89,500 the average annual number of fires per 1,000 population was 3.9, a moderate number, and the average loss per capita was \$4.16, a moderately high figure.

Want Same Status as Louisville

Covington, Ky., is going to ask Commissioner Saufley, or whoever is in authority to put that city in the same classification with Louisville as regards insurance.

A resolution to that effect was presented to Mayor O'Donovan and the city commissioners by the insurance agents of that city, as they understand that Louisville is favored more than cities with which Covington is classed. The resolution was passed by the insurance men following the action of the city commissioners deciding not to impose a license tax of \$100 annually on the insurance agents of Covington. City Solicitor Stricklett, presenting the case to the commissioners for the insurance agents, told the commissioners that while the license would be paid primarily by the companies it would be paid ultimately by the policyholders, who he declared were taxed to their full capacity at this time.

Kentucky Date Definitely Set

LOUISVILLE, April 19.—The Kentucky Fire Underwriters Association has definitely arranged for the annual mid-summer meeting of the field forces to be held at Crab Orchard Springs, June 15-16. The mid-summer affairs have been held there for several years.

Offer Reward for Firebug

NASHVILLE, TENN., April 20.—Reward of \$1,000 for the apprehension of the person who was responsible for the loss by fire of the Porter's Grove school house, situated near Coville, about six miles west of Humboldt, Tenn., Monday night of last week, has been offered by citizens of the community.

The school was constructed recently at a cost of \$7,000, and after the fire a gasoline torch was discovered near the building, as well as other evidence tending to show that the fire was of incendiary origin. The building and all

its contents including a new library was destroyed.

Virginia Notes

George A. Banta, Virginia state agent for the New York Underwriters, is moving his headquarters from Roanoke to Richmond.

Four units of the state epileptic colony at Madison Heights, Va., burned last week with resultant property loss estimated at \$60,000.

Meeting of the conference committee of the Virginia Association of Insurance Agents, scheduled to be held in Richmond April 16, was postponed on account of the illness of a brother of Charles L. Lunsford of Roanoke, chairman of the committee.

A charter granted the Alvaumont Realty & Insurance Corporation of Crozet, Va., authorizes it to conduct a real estate and insurance agency business. Officers are: D. D. MacGregor, president; C. T. O'Neill, secretary, both of Crozet; John S. Battle, Charlottesville, vice-president.

S. M. Buck, assistant manager for the Transcontinental, returned to his Chicago headquarters this week following a tour of inspection in Virginia on which he was accompanied by E. K. McDowell, superintendent of the southeastern department of the company, with Richmond headquarters.

En route to Richmond from Phoenix, Ariz., Robert Richardson died on the train 100 miles east of Phoenix. He was a brother of Archer L. Richardson of Talley, Hobson & Richardson, Richmond, and a son of the late Robert E. Richardson, former secretary of the old Virginia State Fire. His brother is secretary of the Richmond local board and former secretary-treasurer of the Virginia Association of Insurance Agents.

Kentucky Notes

Bruce Hohlitzel, Louisville insurance and realty dealer, has been elected president of the Louisville Automobile Club, having been nominated without opposition.

Russell Wilson of Eddyville, Ky., statistician for the Kentucky insurance department, will be married in June to Miss Elizabeth Langdale Marshall. Announcement of the engagement was made the past week.

Hart Wallace & Co., at Shelbyville, Ky., which have gradually absorbed a number of small agencies in that city, have recently taken over the agency of the late Eugene Harbison, who died a few weeks ago.

Thomas A. Hamilton, Owensboro, Ky., insurance agent, has filed a petition in bankruptcy. Liabilities are placed at \$6,465 and assets at \$200. S. R. Hamilton of Henderson, Ky., father of the insurance agent, is the largest creditor.

present time is earthquake insurance, with nearly everybody directly and indirectly connected with fire insurance studying the matter and endeavoring to assist in finding a solution.

No action has been taken by the Pacific Board on the earthquake situation, the entire matter being put over until the annual meeting at Del Monte.

Issue Settled Out of Court

SAN FRANCISCO, April 20.—The suit brought by the Carle L. Williams agency of Los Angeles and Long Beach against the Pacific Board and a number of companies has been settled out of court. The suit arose out of the controversy over the placing of the fire insurance of the municipal water department of the city of Los Angeles, which caused a number of the companies to attempt to withdraw from the Williams agency. Mr. Williams obtained an injunction restraining them from this action and the suit followed. No details have been announced regarding the terms of the settlement.

Pass California Qualification Bill

Assembly Bill 1208, sponsored by the agents of California, passed the assembly last week with a substantial majority. Representatives of the California Association of Insurance Agents in San Francisco say that only one source of opposition has put in an appearance against the proposed law, which will make qualification for engaging in the fire, marine, casualty and surety insurance business much more rigid.

Found Guilty on Insurance Charge

Charles T. Stewart, secretary of state of Montana, has been found guilty on an insurance count in the impeachment proceedings brought against him by the house of representatives and tried before the senate. He will be removed from office for participation in commissions on insurance premiums paid by the state for insurance on public property.

Oregon Loss Ratio 55 Percent

Total net premiums for all lines written in Oregon in 1926 by stock fire companies were \$8,875,953, with losses incurred \$4,890,557, a ratio of 55 percent, according to the insurance department figures. This showing compares with premiums of \$8,077,740 and incurred losses of \$3,370,807, a ratio of 42 percent, for 1925.

The Home of New York led all companies in total net premium income in Oregon in 1925, with \$416,808. The Fireman's Fund was second with \$387,330 and the General of Seattle third with \$249,778.

Offers Graded Commissions in Seattle

SEATTLE, WASH., April 19.—A proposal was made to the Seattle Insurance Exchange by the General of Seattle to pay all exchange members graded commissions on fire business in Seattle, with the strict understanding that all expirations would be property of the local agent. While it is thought that the Exchange as a whole will not approve of the idea, it is possible that some of the agents individually will assent to the proposed program. H. K. Dent, president of the company, states that he will pay commissions on both participating and non-participating business under the proposed plan.

Joins Pacific Board

Three more companies were added to the membership of the Pacific Board last week when the applications of the Capital of New Hampshire, the Potomac and the Guaranty of Rhode Island were approved. The Capital is represented in California by the Western States Fire Insurance Agency, Inc.; the Potomac by Hinckman, Wentz & Miller, and the Guaranty of Rhode Island by H. R. Mann & Co.

California Mutuals' Meeting

Fire prevention, losses, fire insurance rates and insurance legislation will be discussed when 150 executives of 24 county mutual companies in California held their annual convention in Bakersfield May 4-6, as guests of the Kern County Mutual. Charles Erickson of

Fresno, president of the state association of mutual companies, will preside, assisted by Fred C. Cromer, secretary of the state organization. Guests and speakers will include Congressman H. E. Barbour, W. D. Ellis, president of the Federal Land Bank of Berkeley, Harold P. Janisch of Chicago and R. Holtby Myers, vice-president of the National Association of Mutual Building & Loan Companies.

Plan Emergency Fire Force

LOS ANGELES, April 19.—A plan for a fire-fighting force drafted from employees of large corporations was outlined recently by the directors of the Conservation Association of Southern California. A questionnaire had been sent out by President Harvey Bissell to various corporations and the responses assured their cooperation in an active effort to put the plan in active operation during Forestry Week. Each corporation, according to its size, will contribute its quota of men to be trained for emergency forest fire service. The men will be drilled on company time and will be given the necessary instructions that will make them efficient fire fighters. When the alarm is sounded, each man will go to his particular station and will be carried at once to the fire base where the fire marshals will be in charge. The entire force is under the supervision of the state fire marshal.

Continue Commissioner's Liability

DENVER, COLO., April 19.—One of the final acts of the Colorado legislature before adjourning the past week was the voting down of Senate Bill 224, designed to relieve the state treasurer and insurance commissioner of personal liability for insurance funds. The bill was defeated 24 to 18 in the house after having passed the senate.

Broaden Mutuals' Field

Assembly bill 889, which adds community or municipal buildings to those which may be covered by county mutuals and providing that Class A and B buildings having no exposures constituting a special hazard can be insured up to 90 percent of their value instead of 75 percent, has been passed by the California legislature.

Figures on San Francisco Business

SAN FRANCISCO, April 19.—H. J. Maginnity, secretary of the Insurance Brokers Exchange of San Francisco, the members of which are compelled to place fire insurance business only with board companies, has made an interesting comparison of San Francisco business. According to Mr. Maginnity's figures, based on 1926 operations, 158 board fire companies or practically 85 percent of the companies writing San Francisco 1926 business did 89.79 percent of the total reported, while 29 non-board companies, or practically 15 percent of the companies writing, did 20.21 percent of the total reported.

Commenting on earthquake writings, he points out that 141 stock companies reported a total of \$2,377,740, an increase of 22 percent over 1925. Of this, \$1,982,559 was written by board companies and \$395,181 by non-boarders. The percentage comparison shows that 120 board companies of practically 85 percent of the companies writing earthquake premiums wrote 83.4 percent of the California earthquake writing, and 21 non-board companies, or practically 15 percent of the companies writing, wrote 16.6 percent of the total reported.

Agents' Bill Favorably Reported

SAN FRANCISCO, April 19.—The bill presented in behalf of the California Association of Insurance Agents in the legislature, which will place an automatic cancellation clause in the California standard form of fire policy, has received favorable action by the insurance committee of the assembly.

New Appointment Approved

SAN FRANCISCO, April 19.—The Pacific Board has approved the appointment of Landis & Brickell as general agents in California for the New York Fire, formerly in the now defunct Williams general agency.

Murphy Wants More Men

SAN FRANCISCO, April 19.—Fire Chief Murphy has presented a request for 230 more men and five complete new companies as well as additional fire houses

COAST AND MOUNTAIN FIELD

INSURANCE MEN STUDY LAWS

Section of San Francisco Commonwealth Club Makes Effort to Bring About Uniformity

SAN FRANCISCO, April 20.—The insurance section of the Commonwealth Club of San Francisco is making a study of lack of uniformity of the laws of the several states regulating insurance. It is pointed out by one member of the section that "the only uniform feature in the laws of the 48 states, the two territories and the District of Columbia on the subject is that all the laws require that fees be paid when papers are filed."

The section has taken an active interest in insurance affairs of the state the past year, studying compulsory automobile liability. Following this study two bills were introduced in the legislature, one providing for compulsory liability and the other (the minority report) providing that the matter be given further study by a committee to be appointed, which committee would report back at the next legislature. The latter bill was the one passed by the legislature.

Many prominent insurance men in this territory are members of the club's insurance section, and in view of the fact that the American Bar Association has had the subject of variance of laws under discussion for nearly 27 years, it is felt that such a study by the club may have helpful results.

Prof. A. H. Mowbray of the insur-

ance department of the University of California is chairman of the section and Alfred C. Skaife, insurance attorney, vice-chairman.

PACIFIC BOARD SEEKS ANSWER

Unsettled Questions to Be Brought Up for Consideration at Annual Meeting May 5

SAN FRANCISCO, April 20.—Unsettled questions which have been occupying the attention of the Pacific Board will be considered at the annual meeting May 5. In accordance with time-honored custom the meeting will be held at the Del Monte hotel. The past year has been one of considerable activity in affairs that have been controversial, such as the appointment of general agents in Seattle, Portland and other points, with Seattle probably being the most troublesome.

At present there is little being said on any subject by the board managers or individual members, the feeling apparently being to await the reports of the numerous committees which will be made at the meeting.

Some Definite Answers Expected

That there is hope that some of the questions will be definitely settled is evident "on the street," but at the same time it is the belief of some that such questions as earthquake coverage, the Oil Insurance Association and one or two others with almost similar difficulties can not be settled for some time.

The most puzzling discussion at the

and equipment. As San Francisco is now suffering from an "economy board," members of the fire insurance fraternity do not entertain much hope for the granting of the request. Chief Murphy is also waging a strenuous contest before the city fathers for a new ordinance which will prohibit the use of wooden shingles in any part of the city.

McClure Kelly Is President

McClure Kelly, manager of the North America at San Francisco, has been elected president of the Pacific Coast Adjustment Bureau. W. H. Gibbons of Edward Brown & Sons is made vice-president; William K. Withers, general manager, and W. K. Barraud, secretary.

Get Importers & Exporters

SAN FRANCISCO, April 19.—Swett, Rolph & Crawford have been appointed California general agents of the Importers & Exporters. The company has heretofore maintained a branch office for California business. Swett, Rolph & Crawford are also general agents for the Pacific Indemnity and several other fire and casualty companies.

Coast Notes

Carl A. Henry, general agent of the Sun on the Pacific Coast, will leave for

the east about May 1 for a visit of several weeks.

Funeral of Thomas T. Frith, Portland adjuster, was held there last week. Mr. Frith went to Portland from Montana about ten years ago.

The new Acme Fire, organized by Los Angeles interests, has opened an office in San Francisco in charge of John Young, formerly with the Royal.

P. A. Michelson, formerly special agent at Spokane, Wash., for the Glen Falls, has gone to San Francisco to become associated with the Ocean Accident.

Frank C. Wynne has sold his agency in Portland, Ore., to Irving L. Webster and has gone to Los Angeles this week to become southern California branch manager for the Columbia Casualty.

The April golf tournament was held April 15 by ganders of the California Blue Goose at the Brentwood Country Club, Los Angeles. About 30 players took part in the tourney. Ted Alkalay was in charge.

The field of A. S. Heatfield, special agent for the Selbach & Deans office out of Spokane, has been extended to include western Washington. Mr. Heatfield will hereafter maintain headquarters at both Seattle and Spokane, dividing his time between the two cities.

A. T. Bailey, general agent for the North British fleet on the coast, announces that new quarters have been leased in the California-Commercial building and that offices will be moved about May 1 from the present location on Pine street, San Francisco.

NEWS FROM EASTERN FIELD

EMPIRE STATE POND ELECTS

New York State Blue Goose at First Annual Meeting Shows Membership of 200

Just a year from the time the pond was instituted by Past Most Loyal Grand Gander H. Verne Meyers and Grand Wielder Paul E. Rudd, the Empire State Blue Goose held its first annual meeting in Syracuse, N. Y., last week. The membership of the pond is now about 200, which is considered a remarkable growth for the first year, and it is one of the strongest ponds of the entire order. There were 112 at the dinner, which was followed by an initiation. Seventeen goslings had their pin feathers plucked.

John A. Jordan, Syracuse, was elected most loyal gander; H. B. Nugent, Albany, supervisor; C. B. Cleaves, Rochester, custodian; Harry Miller, Syracuse, guardian; George Krank, Albany, wielder, and J. F. Crafts, Rochester, keeper. Most Loyal Gander Jordan and Wielder Krank were elected delegates to the grand nest meeting.

Most Loyal Gander Ryan of the New York city pond was present and presided at the installation of the newly-elected officers.

General Agency Terminated

The Niagara Falls Fire Office, representing the Aetna Life and affiliated companies in Niagara county, N. Y., for a number of years, will be relieved May 1 at its own request of supervisory duties as general agents and will devote its entire time to its local business in Niagara Falls and vicinity, continuing to represent all three Aetna companies. The casualty and surety business outside of Niagara Falls previously supervised and handled through this general agency will be taken over by the company's branch office at Buffalo.

Lifshutz Gets Three Companies

Hyman E. Lifshutz of Rochester, N. Y., has been appointed general agent for the Queensland, New York Equitable Underwriters and Globe of Pittsburgh. He represents also the Guardian Life. His new office is in the National Bank of Rochester building.

New England Blue Goose

BOSTON, April 19.—More than 65 insurance men came out for the meeting of the New England Blue Goose last week, including guests from the Bay State Club of special agents. Most Loyal Gander Bert E. Ames presided. The address of the evening, on "Selling New England," was delivered by Vice-

President William J. Fortune of the National Shawmut Bank.

An interesting feature of the evening was the presence of all but one of the past most loyal ganders of the pond, to whom the dinner was a testimonial. Past most loyal gander jewels were presented to W. T. Jordan and H. P. Warren.

Inspect Altoona Alarm System

ALTOONA, PA., April 19.—C. E. Diehl, city electrician of Harrisburg, Pa., and A. L. Tinker, fire alarm expert from New York City, recently conferred with local officials and made an inspection of the city's fire alarm system here. Mr. Diehl announced that Harrisburg contemplates the erection of a new city hall and the installation of a new fire alarm system to replace the present one, which is deemed too antiquated.

Get Arson Confession in Hartford

HARTFORD, April 19.—The prosecution of three men held for arson in a store fire in Hartford has attracted the attention and appreciation of fire insurance men. The fire last week in the United Pharmacy at 391 Main street resulted in a \$3,600 damage.

The three men arrested are Leo Grichtman, Frank J. Bowlen and Merrill Haines. Bowlen and Haines, following their arrest, signed statements describing their participation in setting the fire, which was caused by a lighted cigarette laid alongside a match. The cigarette acted as a slow burning fuse and finally set off the match which was lying on a closet shelf close to rolls of paper and other inflammables. The confession was made that the fire was started to benefit by insurance funds to straighten out financial difficulties.

Has Territory Extended

BOSTON, April 19.—A. J. Duplessis, in charge of the automobile fire and theft department of the North America group in Connecticut and western Massachusetts for several years, has had his territory extended to cover eastern Massachusetts and Rhode Island. Mr. Duplessis formerly traveled in eastern Massachusetts and Rhode Island and will find many old friends in these sections.

Reid With Allied Fire

UTICA, N. Y., April 19.—John L. Train, general manager of the Allied Fire of Utica, announces the appointment of Charles F. Reid of Pittsfield, Mass., as state manager for the company in Massachusetts.

Mr. Reid has been for 10 years assistant secretary and underwriting manager of the Berkshire Mutual Fire and Hampshire Mutual. The Allied Fire is only four years old, and is under the same management as the Utica Mutual.

The Excelsior of Syracuse, N. Y., has been licensed in Connecticut.



TO INSURANCE AGENTS AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis Incorporated Engineers

115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

FINANCIAL STATEMENT

MARYLAND INSURANCE COMPANY

95 MAIDEN LANE
NEW YORK

ASSETS

Bonds and Stocks (Actual market value December 31, 1926)	\$ 915,566.00
Cash in Bank and in Office	1,092,005.76
Premiums in course of collection	179,007.93
Other Assets	7,105.17
	\$2,193,684.86

LIABILITIES

Unearned Premium	\$253,552.23
Losses in process of adjustment	55,739.00
Reserve for taxes and other bills	20,700.00
	\$329,991.23
Capital	\$ 750,000.00
Net Surplus	1,113,693.63
Policyholders' Surplus	1,863,693.63
	\$2,193,684.86

	1925	1927
Net Premiums	\$ 292,811.52	\$ 520,663.99
Assets	1,048,263.38	2,193,684.86
Liabilities	273,265.18	329,991.23
Capital	500,000.00	750,000.00
Surplus	274,998.20	1,113,693.63

This Company Is Owned and Operated
by the

NIAGARA FIRE INSURANCE COMPANY
OF NEW YORK

IN THE CANADIAN FIELD

SEGREGATION BY PROVINCES

**Increases Shown Everywhere Except in Maritime Provinces and Yukon—
Figures of Canadian Companies**

A segregation of fire insurance premiums by provinces in Canada last year shows an increase in business in nearly all the important provinces, the only material decreases being shown in the maritime provinces. The figures by provinces for 1926 and 1925, given in that order, are as follows: Alberta, \$3,930,736, \$3,758,020; British Columbia, \$5,812,641, \$5,741,987; Manitoba, \$3,973,923, \$3,838,710; New Brunswick, \$2,157,706, \$2,196,355; Nova Scotia, \$2,310,635, \$2,368,387; Ontario, \$18,629,716, \$17,995,542; Prince Edward Island, \$237,413, \$238,143; Quebec, \$13,496,169, \$12,926,820; Saskatchewan, \$4,295,545, \$4,123,943; Yukon, \$8,561, \$11,770.

Total net premiums of Canadian companies last year were \$7,426,325, as against \$6,705,058 in 1925. Losses incurred were \$3,359,443, compared with \$3,220,712. Figures for the individual Canadian companies are as follows:

	Net Incurs.	Losses Incurred
Acadia	\$ 181,435	\$ 97,065
Antigonish	3,406	919
Beaver	34,320	10,830
British American	753,659	317,123
British Colonial	107,870	42,924
Brit. Northwestern	188,823	76,496
Canada Acc. & Fire	230,131	91,724
Canada National	145,409	54,803
Canada Security	155,834	60,887
Canadian Fire	390,979	140,107
Canadian Indemnity	149,685	56,548
Can. Lumbermen's	4,483	219
Casualty Co. of Can.	20,708	6,060
Cumberland Farm	2,635	1,319
Dominion Fire	231,971	91,188
Dominion Gresham	57,861	35,992
Dom. of Can. G. & A.	174,144	37,900
Ensign Fire	38,283	39,594
Fire Ins. Co. of Can.	334,056	173,271
General Acc. of Can.	92,208	30,679
Globe Indemnity	127,420	51,562
Grain Insurance	257,449	200,722
Guardian of Canada	86,449	54,154
Halifax Fire	52,284	46,968
Hudson Bay	167,677	76,820
Imperial Insurance	153,936	66,490
Kings Mutual	33,325	32,450
Laurentian	221,008	123,427
Liverpool-Manitoba	278,602	117,196
Lon. & Lan. G. & A.	10,771	1,370
London-Canada	137,433	76,000
Mercantile	138,384	32,439
Mount Royal	667,761	353,916
North Empire	185,733	131,204
North West	123,188	48,868
Occidental	230,671	101,802
Pacific Coast	166,340	79,609
Pictou County Farm	6,084	4,029
Quebec	186,329	53,372
Reliance	62,953	13,092
Scottish Canadian	86,751	37,846
Western	749,877	318,479
Totals for 1926	\$7,426,325	\$3,359,443
Totals for 1925	\$6,705,058	\$3,220,712

New Law on Over-Insurance

In recent amendments to the Alberta Insurance Act just passed by the house, any person knowingly over-insuring property for fire insurance, and any agent knowingly accepting such insurance will be liable to a fine of not less than \$100 and not more than \$200. A provision has also been enacted for the return of excess premium paid where the loss is less than the total face value of existing contracts. Other amendments include proper applications required for fire insurance, provision for a limitation of liability clause, a prohibition against finance corporations, auto dealers and insurance agents signing applications for insurance on behalf of the applicant.

Canadian Forest Fires Start

The first forest fires of the year are reported from the province of Quebec, when two occurred respectively at Chichester and Litchfield. Not much damage was done. In the Sault Ste. Marie district of Ontario it is anticipated that the bush fire hazard will commence about three weeks earlier than usual and forest rangers have been ordered to their stations. Reports from the northern districts say that in some places two feet of snow still remains.

INSURING STANDING TIMBER

New Form of Coverage Developing in Canada—Rates Vary According to Character of Risk

WINNIPEG, April 20.—With the development of the pulp and paper industry in Canada, it appears that a new class of insurance will be in demand to cover standing timber. It is pointed out that timber is about the only thing of real value that is not subject to insurance today. Although in Canada by far the largest proportion of forest wealth is owned by the government, there is now gradually an increasing number of private owners, who would probably be glad to avail themselves of this class of insurance.

The rates on insurance vary according to the risk. There are some types of timber more susceptible to fire than others. For instance, second growth timber would be more liable to fire on account of the accumulations of debris from the first cuttings. Companies have found it a bad policy to insure tracts of timber that are continuous, it being better to insure blocks at least half a mile apart. Timber contiguous to a railway takes a higher rate.

One method of doing business, which has been found satisfactory, is to insure timber for a period of five to ten years, to overcome the difficulty of covering only in the dry season, when owners would like to be covered, avoiding insuring during the wet season. The demand for this form of insurance, it is felt, will come chiefly from owners of timber lots in the older settled portions of the country.

Licensed for Additional Lines

The Alliance of Philadelphia has been licensed in Canada for hail insurance, the Glens Falls for property damage and the Canadian Indemnity for forgery insurance.

The Scottish Canadian Assurance, General Accident of Canada and the Autocar Fire & Accident have all been licensed in Canada for tornado insurance and the National Guaranty Fire for fire insurance.

The World Fire & Marine of Hartford has been licensed for hail and earthquake insurance in the province of Quebec. The Federated British has been licensed for fire insurance in Alberta. The London & Provincial has been licensed for fire, accident, automobile, burglary, guarantee, plate glass, sickness, sprinkler leakage, explosion and tornado insurance in Manitoba.

Fire Commissioner Is Speaker

WINNIPEG, April 19.—A lecture was given this week by E. McGrath, provincial fire commissioner for Manitoba, to the members of the Winnipeg Insurance Institute on "Fire Prevention and Fire Loss Investigation." This was the last lecture of the season and examination papers for the senior and junior students will be given about the first week in May.

North River General Agents

Fraser & Co. of Calgary, Alta., have been appointed general agents for the province of Alberta for the North River of New York.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending April 6 are estimated at \$587,500, as compared with \$2,367,200 for the corresponding week of 1926, a very noticeable decrease. According to the same source, fire losses in Canada for March are estimated at \$2,360,500, as compared with \$2,863,100 for March, 1926.

The losses are divided as follows: Alberta, \$120,000; British Columbia, \$28,000; Manitoba, \$110,000; New Brunswick, \$58,000; Nova Scotia, \$936,500; Ontario, \$293,000; Prince Edward Island, \$10,000; Quebec, \$173,000; Saskatchewan, \$132,000,

with an estimate of \$500,000 for unreported losses making up the total.

For the week ending April 13 fire losses in Canada were estimated at \$555,700.

Plans of State Assurance

The State Assurance is entering the western Canada field and has appointed the General Brokerage Company of Saskatchewan as general agents to supervise the province of Saskatchewan. Arthur Barry of Montreal, manager for Canada of the Royal Exchange group, has been appointed Canadian manager for the State Assurance, while John Wilson of Winnipeg will have jurisdiction over the three western provinces.

Winnipeg Clean-Up Campaign

WINNIPEG, April 20.—A meeting of the "Paint-Up, Clean-Up" campaign committee took place in Winnipeg last week. Many representatives of different social organizations were in attendance. The campaign was arranged to take place May 9. Among those elected on the committee was Walter J. Blackburn, secretary of the Western Canada Insurance Club, who will arrange to give several

addresses on "Fire Prevention" that week.

Canadian Notes

W. R. Hedge, president of the Boston, is on a visit to Canada.

T. J. S. Skinner & Co. of Calgary, Alta., have been appointed to represent the Springfield Fire & Marine.

Heddie, Thorburn & Spring Investment Agencies, Saskatoon, and the Financial Agencies, Winnipeg, have been appointed to represent the Fidelity-Phenix.

A. H. S. Stead, secretary of the Western Canada Fire Underwriters Association, left Winnipeg last week for the States, and will be absent for a month.

The death of William N. Clarke, assistant secretary of the British Columbia Fire Underwriters Association, is reported from Vancouver, B. C.

George Haskings has been appointed secretary of the New Brunswick Fire Underwriters Association, following the resignation of J. C. Mitchell.

Dr. Lansing Lewis of Montreal, a well known insurance man, died recently. He commenced his activities as an insurance agent in Winnipeg, and later became manager for Canada of the Caledonian at Montreal. He retired from this position in 1911. He subsequently became a director of the Union of Paris.

MOTOR INSURANCE NEWS

ADOPT WHOLESALE INSURANCE

Exact Plan to Be Followed by Durant Motors Has Not Yet Been Made Public

NEW YORK, April 20.—Just how the Durant Motors plans to furnish the fire and theft insurance to be granted all purchasers of Star cars without additional charge, has not yet been announced, and meanwhile insurance men are doing a lot of speculating on the subject. At the present time the indemnity is furnished by standard companies upon such of the car purchases as are financed through the Commercial Credit and kindred companies, and doubtless no inconsiderable amount is placed by individual car owners directly. The Durant people have been studying the insurance question in connection with the sale of their machines for a considerable time, and apparently have now hit upon a plan of getting wholesale coverage that they figure will be satisfactory alike to themselves and their customers.

Motor Club Exchange Licensed

ST. LOUIS, April 19.—The Inter-Insurance Exchange of the Automobile Club of Missouri, which is holding out the promise of a "20 percent cut in rates" to members of the Automobile Club who place their automobile insurance with the organization, has opened for business at the headquarters of the Automobile Club. The exchange has been licensed by the Missouri department to write automobile fire, theft, property damage, collision damage and liability insurance. It proposes to sell insurance to only members of the Automobile Club.

The persons interested in the new exchange have put up a guaranty fund of \$50,000 and also convinced the department that it was prepared to write upwards of \$1,500,000 of insurance. The law requires that a minimum of that amount of prospective business must be in sight before a charter can be obtained.

The exchange will be operated on the reciprocal basis. It claims to have perfected arrangements to reinsure its risks with a stock company. The identity of this alleged reinsurer has not been revealed.

Department Enlarged

The Allemannia Fire of Pittsburgh has completed arrangements for the enlargement of its automobile department and has engaged William C. Fland as department manager. Mr. Fland has specialized in automobile insurance as department manager for a number of other companies.

ADDITIONAL INSURANCE UP

Company Contested the Claim on the Ground That Assured Had Not Given Notice

Taking Out of Additional Insurance on Automobile Held to Void Policy.—In South vs. Philadelphia Fire & Marine, court of appeals of Kentucky, 290 S. W. 493, an action was brought to recover upon a policy covering an automobile. The company defended on the ground that the insured had taken out additional insurance, without its knowledge or consent, and thus, according to the terms of the policy it was voided.

In respect to this the insured contended that he had told the agent that he was going to take out additional insurance. The trial resulted in a judgment in favor of the company. On appeal the higher court in reviewing the record, and in affirming this judgment, said:

"It is well settled in this state that the provisions in an insurance policy for a forfeiture in the event additional insurance is taken out by the insured may be waived. * * * However, in order to constitute such election upon the part of the company to continue the policy in force, it must appear that it had clear notice of the additional insurance, or that its agent, at the time the policy was issued, consented to such additional insurance, and that the insured acted on this in ignorance of any limitation of the agent's authority in the matter.

"Here the agent not only did not consent to additional insurance, but informed the appellant that \$600 was all that the machine could carry, which, aside from the provisions of the policy, positively negated the idea of permitting additional insurance, the company's judgment in this being confirmed by the proof of the value of used cars of this type and character; and the loose indefinite statements which appellant claims to have made to the agent are insufficient to give it notice that he had in fact taken out additional insurance, or to show that, with knowledge of the fact, it continued the policy in force; and, if he made the statements claimed, the silence of the agent could not have misled him. We do not think the evidence sufficient to constitute a waiver.

"Wherefore, perceiving no error, the judgment is affirmed."

Mistake as to the Globe

In giving the premiums and losses of the Globe Automobile Mutual of Fort Wayne, Ind., in the special Automobile Number, a mistake was made in the

losses. The premiums were \$121,453. The correct losses were \$58,572, making a loss ratio of 48 percent.

Not An Insurance Company

NEW YORK, April 20.—The attorney general of the state has ruled that the form of contract offered by the recently formed Atlas Service Corporation of this city contains no insurance feature and hence its activities are not amenable to supervision by the insurance department. The Atlas Service is an automobile repair organization, offering in return for standard manual rates for collision insurance plus a charge of \$40 to keep a car in thorough condition regardless of the extent to which it may be damaged through collision in the course of a year. The company is appealing to insurance brokers to sell its contracts to their clients, offering 20 percent commission. When its circular matter was first distributed underwriters felt that it was an encroachment upon the insurance business and sought light on the matter from the department, the latter in turn putting the question up to the attorney general, with the result above noted.

Whittaker Made President

E. C. Whittaker, superintendent of the automobile department of the Queen in Chicago, has been appointed president of the Steering Club, an organization of the automobile superintendents of the conference companies which meets weekly for luncheon. Mr. Whittaker succeeds John L. Mylod of the North British, who has been made general agent in charge of the automobile department of the North British at New York. A. L. Anderson of the Fireman's Fund was elected vice-president and J. Wiley Burden of the Hartford secretary-treasurer. Plans were made for the membership to visit in a body the automobile testing laboratories at 2615 Michigan avenue.

MARINE INSURANCE NEWS

MARINE TAX RELIEF ASSURED

Amended New York Law Makes Net Premiums Instead of Gross Premiums Revenue Basis

The New York legislature has passed, and Governor Smith has signed, a new tax law which with reference to certain kinds of marine and transportation insurance abolishes the old principle of gross premium taxation and substitutes for this a net underwriting profit tax of 5 percent averaged over a period of three years.

Marine men consider the new law a long step toward granting relief from the competitive disadvantages under which American marine insurance companies have labored as compared with the net underwriting profit basis of taxation employed by other countries. The new law does not apply to purely inland transportation risks.

Underwriting Profits Defined

The new statute defines underwriting profits as all premiums earned minus losses incurred and expenses incurred, including all state and federal taxes. Under expenses are included all commissions, agency expenses, taxes, license fees, loss adjustment expenses and all other expenses incurred directly and specifically in connection with such premiums, less recoveries or reimbursements on account of commissions or other collectible expenses because of reinsurance or from any other source.

For the present the new law will apply only to New York insurers and to the branches of foreign companies licensed to transact the business of marine insurance in this state.

The new method of taxation shall apply to the year ending Dec. 31, 1927, and subsequent years.

INSURANCE LESSONS TAUGHT BY HOTEL FIRE (CONTINUED FROM PAGE 3)

tion, because of the large amount of frame scaffolding in use and more par-

ticularly because the rules for safeguarding such hazards as provided in New York's ordinances are not generally complied with by the contractors. In these big buildings there is more or less use of open salamanders for temporary heating, practically a universal practice of smoking by workmen, together with necessarily a large amount of furnishings and equipment packed in straw or other combustible material on the floors and in workmen's shanties, which present no small fire hazard.

SOUTHWEST STORM LOSS WELL OVER A MILLION (CONTINUED FROM PAGE 4)

Pilot Grove, Tex., farm homes throughout Tarrant county, part of the Fort Worth-Dallas interurban properties, dwellings and crops in and around Grand Prairie and Hebron, much property at Temple, 31 stock cars loaded with cattle and stock near Angelo, farm homes near Pendleton and Cedar Creek, seven buildings at Bronte, at Atlanta, at Comfort, even as far as Waxahachie and Waco, at Irving and at Farmers' Branch, at Sherman, at Denison, at Lufkin, at Bryan, at Gatesville, at Nacogdoches and at Ballinger, all in Texas, were destroyed, with hundreds of thousands of dollars of damages resulting from the gales. Yoakum, Texas, suffered more than \$250,000 damages, and lost its tomato crop worth more than \$100,000. Del Rio estimates its damages at more than \$100,000.

Hit Oklahoma and Arkansas

The low pressure trough extended from Texas on into Oklahoma and Arkansas with appalling loss in its trail. At Tulsa, oil derricks and equipment were broken and carried away in pieces by the gale and the output greatly reduced. Parts of the towns of McCurtain and Bokoshe, Okla., were destroyed. Milton, Union City, half of Mustang, farm homes all around Minco, Durant and Guthrie, in Oklahoma, were points hardest hit by the storm, while Fort Smith, Ark., and the neighboring farm country bore the brunt of the storm in that state. The prevalence of storm cellars limited the deaths in those two states to about ten, but property losses will run into large figures.

Another series of tornadoes struck Texas and adjoining states last week, some of terrific violence. Gilmer, Rusk, Mount Selman, Desert, Pittsburg, Avery, Marshall, Utopia, Navarro, all in Texas, were added to the list of points struck by cyclonic winds. Greenwood, La., and Dexter, Ark., also suffered twisters of grave proportions the last few days of the week.

HOUSE CLEANING HAS HAD A GOOD EFFECT (CONTINUED FROM PAGE 4)

NATIONAL UNDERWRITER as to how things were going, Vice-President Stinson replied with pride: "We have a clean house. Our books are an open story to all." There is more than one realizes in first thought at this reply. The Automobile was confronted with a Herculean task when it came to house cleaning and prophecies of five and six years were heard as to the term required to straighten out the chaos. In less than 11 months it has been accomplished.

Cut Off Unprofitable Lines

The company is now on a straight fire and inland marine insurance basis, and is not indulging in foreign treaties or untried lines. At no time during the reorganization has any diminution of "dailies" been observed in any field and despite some changes in underwriting requirements, a normal increase in the desirable lines of business is recorded. The volume of premiums being received by the fire department is not quite as large as a year ago, but the liability accepted constitutes the kind of business which makes for a sound organization. The company is now in a position to grow as a fire company normally should. The fact that this has been achieved within a year speaks very well for those who are at the helm.

1794

1927

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA PHILADELPHIA, PA.

Fire—Lightning
Tourist Baggage
Inland Transportation
Use & Occupancy

Windstorm
Automobile
Parcel Post
Rent Insurance

Acquire THE OLD "STATE OF PENN"

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

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FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

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HENRY G. BARBEE
President

The Hampton Roads Fire and Marine Insurance Company NORFOLK, VIRGINIA

Lloyd H. Smith & Co., Cook County Agents
1405 Insurance Exchange, Chicago

ARCHITECTS IN INSURANCE PROBLEMS

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(Pronounced: Wee-wick)

175 W. Jackson Blvd., Chicago

EXCESS: Treaties for General FIRE—Automobile BLANKET Fire—Automobile and General Public Liability—Workmen's Compensation

Automobile Insurance Sales Helps for 1927

WARNING

The Exhaust from All
Gasoline Engines contains
CARBON MONOXIDE
A Deadly Gas.

You cannot see, smell, taste or feel
this dangerous gas — so it
KILLS WITHOUT WARNING

Precautions

1. Do not run your motor in a garage unless you have all doors and windows wide open. Always see to it that there is plenty of ventilation.
2. If you must run your motor in a closed garage for a few minutes attach a rubber hose to the exhaust and have the other end well out of garage.
3. Never work under a car with the engine running, even in the open air.
4. Do all repair work on your motor in the open air, whenever possible.
5. Tell all members of your family, your friends and your employees about the danger from exhaust gases of all gasoline engines and—

tack or paste this warning in a conspicuous place in your garage.



This warning issued in the welfare of the motoring public by the
GLOBE INDEMNITY COMPANY
Newark, New Jersey
(writing all forms of Automobile Insurance thru)

[Of Agent's Imprint Here] ©

Size—11" x 17". Two colors

Size—1½" in diameter
For use on letterheads, bills
and the backs of envelopes



Size—3" x 6¼". Two colors.
Something a little different in
the way of an advertising
circular for Automobile
Insurance

THIS "service to agents" is typical of the efforts of the GLOBE INDEMNITY COMPANY to make it easier for its representatives to impart to their public the message of insurance. Each year, in accordance with the seasons, similar sales helps are devised and offered to GLOBE producers for local use.

Individual local advertising and production

problems, too, are given careful attention and consideration. Assistance in the preparation of newspaper advertisements is a regular feature. And in its Publicity Department the GLOBE maintains a Service Division devoted to addressing of envelopes, enclosing of literature, sealing and affixing of postage—for such agents as find this detail work burdensome.

Service such as this is characteristic of all GLOBE relationships!

GLOBE INDEMNITY COMPANY

NEWARK — NEW JERSEY

CASUALTY INSURANCE

A. DUNCAN REID, President and General Manager

FIDELITY & SURETY BONDS

The National Underwriter

April 21, 1927

CASUALTY AND SURETY SECTION

Page Forty-one

QUIBBLES FLATTENED OUT BY THE DECISION

Reciprocal Technicalities in Associated Employers Case Found Ineffective by Court of Appeals

ALL MEMBERS ARE BOUND

Decree Is Valid Judgment Against Each of 10,000 Members for Respective Amounts Due

Reciprocal quibbles and technicalities were all effectually flattened out by the opinion of the United States court of appeals at Chicago, in overruling the appeal of Sherman & Ellis, Inc., from the receivership order in the case of the Associated Employers' Reciprocal. In the lengthy progress of the case through the lower courts innumerable objections were made, based on the alleged effect of various provisions in the reciprocal contract. It was claimed that a member could not sue except in a certain way, that a court of equity had no jurisdiction, that a federal court was without jurisdiction, that under the Illinois law only the attorney-general of the state could bring suit for liquidation, and many others equally technical.

Technicalities Prove Useless

The circuit court of appeals shows how useless technicalities are to prevent a court doing justice, no matter how involved the case appears. It found ample ground for equity jurisdiction in the fact that the attorney-in-fact, with \$400,000 in funds and \$2,000,000 in losses, was unable to make any progress. The court does not even argue whether a receiver should have been appointed or not. It says that no matter what the appointee was called, here was a trust fund requiring administration and the court was fully empowered to take charge, whether its appointee was called a receiver, or a successor to the attorney-in-fact or by some other name.

Federal Jurisdiction Upheld

The federal jurisdiction is upheld because the plaintiff, the Missouri Valley Bridge & Iron Company, is a citizen of Kansas, while the main defendants in the case are all citizens of Illinois. This gives diversity of citizenship required, and the claim of the plaintiff was well above \$3,000, thus giving jurisdiction in amount. It is stated that the jurisdiction of the court is determined at the time of the filing of the suit, and the fact that later parties of other citizenship may come in does not nullify the jurisdiction of the court.

Binding on All Members

The court also upholds the action as a class suit. That is, the defendants named, some ten or more, are held to represent all of the 10,000 members and all of the 10,000 members are bound by the findings and decrees in the case. This means that the decree is an effective

TREASURY DEPARTMENT QUALIFYING LIST

THE United States Treasury Department has issued its semi-annual list of surety companies qualified to execute bonds for the federal government based on financial statements as of Dec. 31, 1926. The table is:

Company	Capital Stock	Surplus and Undivided Profits	Limit on any One Bond 10 Percent of Capital and Surplus
National Automobile, Los Angeles.....	250,000	\$ 150,000.00	\$ 40,000.00
Pacific Indemnity, Los Angeles.....	1,500,000	1,274,603.52	277,460.35
Aetna Casualty & Surety.....	2,000,000	7,059,598.49	905,959.85
Century Indemnity, Hartford.....	750,000	917,250.73	166,725.07
Hartford Accident & Indemnity, Hartford..	1,000,000	5,198,641.45	619,864.15
Continental Casualty, Chicago.....	2,000,000	2,000,000.00	400,000.00
Inland Bonding, South Bend.....	250,000	41,307.95	29,130.80
Federal Surety, Davenport.....	725,000	300,000.00	102,500.00
Southern Surety, Des Moines.....	1,500,000	400,000.00	190,000.00
Union Indemnity, New Orleans.....	2,500,000	900,439.83	340,043.98
American Bonding, Baltimore.....	1,000,000	534,790.96	153,479.10
Fidelity & Deposit, Maryland.....	5,000,000	3,909,139.73	890,913.97
Maryland Casualty, Baltimore.....	5,000,000	5,502,820.69	1,050,282.07
United States Fidelity & Guar., Baltimore	6,000,000	8,241,362.35	1,424,136.24
American Employers, Boston.....	1,000,000	606,248.94	160,624.99
Massachusetts Bonding, Boston.....	3,000,000	3,353,250.46	635,325.05
Detroit Fidelity & Surety.....	2,000,000	1,212,922.63	321,292.26
General Casualty & Surety.....	350,000	106,215.62	45,621.56
Standard Accident, Detroit.....	2,500,000	2,237,540.43	473,754.04
Central Surety, Kansas City.....	500,000	511,220.93	101,122.09
Employers Indemnity, Kansas City.....	700,000	358,537.66	105,053.77
Commercial Casualty, Newark.....	2,500,000	2,500,000.00	500,000.00
International Fidelity, Jersey City.....	300,000	1,363,240.27	166,324.02
New Jersey Fidelity & Plate Glass, Newark	800,000	1,381,773.83	218,177.38
American Surety.....	5,000,000	3,794,799.89	879,479.99
Columbia Casualty.....	1,000,000	908,446.59	190,844.66
Fidelity & Casualty.....	4,000,000	7,054,705.53	1,105,470.55
Eagle Indemnity.....	750,000	572,714.35	132,271.44
Equitable Surety.....	250,000	109,352.01	35,935.20
General Reinsurance.....	1,469,550	1,088,490.64	255,804.06
Globe Indemnity, Newark, N. J.....	2,500,000	5,000,000.00	750,000.00
Great American Indemnity.....	1,000,000	1,500,000.00	250,000.00
London & Lancashire Indemnity.....	750,000	1,147,826.14	189,782.61
National Surety.....	10,000,000	7,609,356.86	1,760,935.69
Metropolitan Casualty.....	2,500,000	2,254,054.75	475,405.48
New Amsterdam Casualty, Baltimore.....	2,250,000	3,500,000.00	575,000.00
New York Casualty Co.....	1,000,000	2,011,712.83	301,171.28
New York Indemnity Co.....	1,000,000	589,931.69	158,993.17
Preferred Accident.....	3,500,000	2,058,397.96	555,839.80
Royal Indemnity Co.....	1,000,000	5,067,563.90	606,756.39
Sun Indemnity.....	700,000	379,015.73	107,901.57
United States Guaranty.....	1,000,000	1,387,958.31	238,795.83
Ohio Casualty, Hamilton.....	250,000	273,346.70	52,334.67
American Re-Insurance.....	750,000	1,186,456.08	193,645.61
Constitution Indemnity.....	1,000,000	1,871,433.77	287,143.38
Eureka Casualty, Philadelphia.....	500,000	1,000,000.00	150,000.00
Indemnity of North America.....	1,000,000	2,687,834.64	368,783.46
Independence Indemnity.....	1,500,000	939,233.88	243,923.39
Western Surety, Sioux Falls.....	286,900	71,990.53	55,889.05
American Indemnity, Galveston.....	600,000	509,780.29	110,978.03
Northwestern Casualty & Surety.....	750,000	404,603.15	115,460.32

Foreign Companies Authorized to do a Reinsurance Business Only

Company	Net Assets	Qualifying Power
Employers' Liability, London.....	\$6,720,969.59	\$672,096.96
The European General Reinsurance, London.....	1,500,000.00	150,000.00
Guarantee Company of North America, Montreal.....	1,243,887.07	124,388.71
London Guarantee & Accident Co., London.....	3,237,657.65	323,765.77
Ocean Accident & Guarantee, London.....	5,342,569.97	534,257.00

¹Certificate of authority issued Jan. 28, 1927.

²Certificate of authority issued Sept. 30, 1926.

³Certificate of authority issued April 1, 1927.

tive and valid judgment against each and every one of the 10,000 or more members for the assessments, unpaid premiums and illegal dividends ordered by the decree so paid or repaid to the receiver by the respective members.

Objections Were Waived

While there seems to have been some ground for effectual objection to the jurisdiction of W. T. Irwin and Sherman & Ellis, Inc., the court points out that no such objection was raised until the former attorneys-in-fact were removed from any and all participation in the conduct of the reciprocal's affairs by the receiver, and having been once waived, could not be relied upon later.

No Bar in Illinois Law

The court expressly and conclusively disposes of the claim that under the Illinois law the attorney-general is the only one who can bring a suit for a receiver against an insurance company. After quoting the law the court says:

"The urge that this statute provides the exclusive way of winding up the affairs of a reciprocal is wholly unsupported by its words. Under certain conditions it is true the attorney-general may institute legal proceedings, but such a grant of authority to bring suit falls far short of the denial of the right of a member to protect his interests through legal proceedings."

Hearing on Bond Rates

NEW YORK, April 20.—On complaint of alleged discrimination in rates promulgated by the Towner Rating Bureau for surety bonds covering subway construction work in this city, Superintendent Beha will hold a hearing on the matter at his local office Friday. The complaint, filed by the Board of Transportation of the city of New York, avers that the same rate is charged for bonds with a 10 percent liability and with 100 percent liability.

TWO COMMITTEES TALK OVER SURETY SITUATION

Solicitous on Issue Arising Over Discounts in Rates on Protective Devices

ISSUE JOINT MEMORIAL

Declare Company Organizations Should Be Able to Harmonize Difference or Chaos Will Follow

The executive committee of the National Association of Casualty & Surety Agents met in Chicago this week with the executive committee of the National Association of Insurance Agents to take up the situation with regard to the Surety Association. The casualty association was represented by Charles H. Burras of Chicago, president; Thomas E. Braniff, Oklahoma City; W. G. Wilson, Cleveland; George D. Webb, Chicago; James W. Henry, Pittsburgh.

The casualty and surety agents were in a solicitous frame of mind because of the conflict in the Surety Association between the National Surety and New York Indemnity on one hand and the Metropolitan Casualty on the other. The Metropolitan Casualty allows discount for protective devices in issuing forgery and check bonds. Seemingly, the Metropolitan has been edging in on the business quite a bit. The National Surety has objected to this practice claiming that no differential should be allowed. Some members were inclined to allow the Metropolitan Casualty to keep the business that it had written, but held that there should be some harmonious agreement reached as to the future.

Sent in Resignations

The National Surety and the New York Indemnity retired from the Surety Association, but it is understood their resignations are withdrawn. However, the executive committee of the National Association of Casualty & Surety Agents feels that the air is surcharged with electricity and no one can tell what the future will bring forth. The members of the committee approached the National Association of Insurance Agents committee on the subject, pointing out the fact that if this conflict went on there might be demoralization in the field. It was felt that the Surety Association should be able to discipline its own members and control them. The fact that it has not been able to bring about harmonious working as to bank protective devices and some other issues led the agents to fear that these deviations would increase in the future.

It was decided to issue a joint memorial to the Surety Association expressing regret for the misunderstanding that has arisen and setting forth the hope that companies should get together on issues of this character and not allow a serious hiatus to develop. A matter of differential rates is one that has in it much potential danger, in the opinion of the joint committee.

COMPANIES REPORTING BAD LOSS EXPERIENCE

COMPULSORY LAW HITS HARD

General Belief Is That Rates Are Too Low—Premium Costs Likely to Increase

Companies writing automobile liability in Massachusetts already are reporting bad experience as a result of the operation of the Massachusetts compulsory automobile liability law. Claim departments report substantial increases in claim frequency the first three months of this year, as compared with the same period of last year, notwithstanding fewer motor cars are said to be in operation.

One of the features tending to increase claim frequency is that the compulsory law does not require property damage coverage. Claimants and their attorneys realize this and many property damage claims are being pressed in the guise of liability claims. These claimants, especially those who do not carry coverage with reference to property damage, frequently convert property damage claims into liability claims and collect on this basis.

Expense Loading Too Low

It appears from the experience of the last three months, that expense loading is too low. Claims and expenses are increasing, one of the principal expense increases resulting from increased volume of statistical work. It will be many months before the experience of 1927 will be known definitely. If in the meantime rates are too low, the companies will have been losing money. The present losses will cause future premium increases and these increases, of course, will be passed on to the public which is supposed to be protected under the operation of the compulsory law.

Two other features that aid in piling up losses are that the companies cannot cancel policies without going to great trouble and expense, and may not refuse business that is offered.

Unsatisfactory to Agents

From the agent's standpoint the business is very unsatisfactory. Under the law, rates have been decreased 20 percent and the commissions have been reduced to 17 percent. In consequence, the general agent is now receiving 17 percent on 80 cents, as against 25 percent on \$1 as formerly. Many of these agents thought that business for them would be better as a result of the law's operation. These men have been rudely awakened. The agent now, as a matter of service, is compelled to take care of securing a license for his assured. This means that he has to fill in a number of blanks, see to it that the license is issued and delivered, and perform other duties of like nature. These consume time, and frequently entail an actual outlay of money. The net result is that he is getting about half the remuneration with a substantial increase in overhead cost as compared with what he got before the law went into operation.

No company is pleased with its experience in Massachusetts for the first quarter. Most companies are studying their loss figures closely with a view to altering rates upward, as such alteration seems inevitable.

New Policy Is Issued

The St. Paul Fire & Marine has issued an all risk policy covering silverware and/or silverplate. The rate is 1 percent but the premium minimum is fixed at \$5. The policy covers while the silver is in a summer residence as well as while it is in permanent residence at any time without necessity of endorsement. Silver flasks, pencils and smoking accessories are eliminated. The policy does not cover denting caused by use, nor wear and tear, nor deterioration.

EXAMINATION REPORT OF FEDERAL SURETY OUT

COMPANY SHOWING UP WELL

With Its Branch and Service Offices It Is Equipped to Write a Larger Business

The Iowa department has issued its examination report of the Federal Surety of Davenport, as of Dec. 31, last. It is licensed in 23 states. It has branch offices at Denver, Des Moines, Detroit, Dallas, Minneapolis, Washington, D. C. In addition it has service branches at Kansas City, Oklahoma City, Nashville and Chicago to render underwriting and claim service to agencies in that territory. It has a reinsurance treaty with the General Reinsurance at New York. The stockholders have contributed \$1,162,981 to surplus since organization. At the close of last year the capital stock was decreased from \$1,160,000 to \$725,000, thereby making a contribution of \$435,000 to surplus.

Financial Exhibit Given

Its assets are \$2,239,145, liability and compensation reserve, \$225,567; total claim reserve, \$393,755; premium reserve, \$634,225; net surplus, \$330,678; policyholders' surplus, \$1,055,679. The total amount of mortgage loans is \$1,020,715. In Iowa there is \$480,380 loaned; in Missouri, \$370,185; in Oklahoma, \$130,850, and scattering in other states.

The examiners say that on an earned premium basis the percent of losses incurred since organization is 44.86 percent, and underwriting expense incurred, 73.66. A considerable amount has been expended in establishing a large agency force with 10 branch offices and service branches. The home office is now well organized and equipped to handle a considerably larger volume of business with practically no additional expense. This will bring about a material decrease in underwriting expense. The premiums written last year were \$1,600,028, as compared with \$1,217,472 the year before.

Can Write Liberal Lines

With its reinsurance facilities the Federal Surety in some lines can write four times its net carrying capacity without seeking reinsurance from competing companies. In other lines it can write twice its net carrying capacity.

The examiners say in connection with losses: "The records indicate that where the liability has been established the company is prompt in the payment of the loss. An examination of the suit dockets of the various departments indicate the company has had a comparatively small number of cases in litigation. It has been successful in winning the greater portions of claims litigated."

Examination Was Thorough

On instruction from Insurance Commissioner Yenter of Iowa, the examiners went through the Federal Surety from stem to gudgeon, examining every detail. The investments of the company are first class, there being comparatively little overdue interest. For the first three months of this year, it showed an increase of \$387,182, or 21 percent over the corresponding period of a year ago so far as premiums are concerned, with \$140,714 losses as against \$162,819 over the same period a year ago. The examination required nine men working 11 weeks. The Federal Surety was organized largely by W. L. Taylor, the vice-president and general manager, who is the main executive officer, giving all his time to the company.

G. B. McGrew and E. M. Velandor of Galesburg, Ill., have been appointed general agents for the Royal Indemnity. The firm has represented the Aetna Life and Aetna Casualty.

IRON OUT DIFFERENCES IN SURETY ASSOCIATION

THREATENED BREAK AVERTED

Two Prominent Companies Withdraw Resignations After Proposed Change Is Referred Back to Committee

NEW YORK, April 20.—Satisfied with the action taken by the Surety Association of America at its recent meeting in referring back to the executive committee for further consideration its report upon the forged bond, the National Surety and the New York Indemnity withdrew their previously offered resignations of membership in the organization, and henceforward will continue, as they have in the past, loyal observers of its regulations.

The differences between the companies and the organization followed the recommendation of the executive committee that the principle of rate discounts for assureds adopting check punching devices be recognized, and that the Towner Rating Bureau be requested to prepare a scale of tariffs in such connection. Objecting to such policy the National Surety and the New York Indemnity declared their intention to withdraw from the association if the report of the executive committee were approved by the full membership of the organization. After the general subject was animatedly discussed at the special meeting of the association some days ago, the report of the committee, at its request, was referred back for further review. This move was altogether satisfactory to the two protesting companies, which thereupon agreed to withdraw their resignations.

Adopt Merchants' Protective Bond

The National Surety then asked that the Surety Association adopt its merchants' protective bond, which was done, all members now being privileged to write the coverage if they so desire. The bond in question differs from the standard fraud bond in that it covers a number of hazards not contemplated in the latter contract. Selling at a flat charge of \$17.50 per \$1,000, the merchants' protective bond obligates to reimburse its holder in specified amounts for any loss suffered through larceny and embezzlement, interior robbery, messenger robbery, safe burglary, check and forgery alteration, counterfeit money, cash register damage, breaking of plate glass doors and stock and furniture damage. In addition it authorizes the payment of a reward of \$100 for the arrest and conviction of any person or persons guilty of perpetrating any one of the crimes enumerated in the bond for which the surety company pledges indemnity. The bond in effect is a blanket cover and is intended to appeal particularly to small merchants.

Can't Require Stockholder List

BALTIMORE, April 19.—Charles C. Wallace, city solicitor, in an opinion to the appeal tax court, has ruled that the tax court lacks authority to require the New Amsterdam Casualty to file for purposes of taxation a list of its stockholders living in Baltimore. The court had planned to tax the holdings of these stockholders as securities.

Officials of the company protested the action of the court, on the ground that it was a foreign corporation (not having been incorporated under the laws of Maryland), although engaged in business in Baltimore. Unable to agree with counsel for the company, the court referred the question to the city solicitor after a series of conferences and hearings.

Takes Commercial Casualty at Richmond

W. O. McKinney, formerly with the Continental Life at Roanoke, Va., has been appointed general agent at Richmond for the Commercial Casualty of Newark with supervision over the state. The company heretofore has been handling its Virginia business direct.

CENTRAL STATES SAFETY CONGRESS IN KANSAS CITY

IS FIRST REGIONAL MEETING

Success of Undertaking Establishes Plan as Best Method of Promoting Security Throughout Country

KANSAS CITY, MO.—The central states safety congress was held in Kansas City last week, with more than 750 delegates registered. This is the first regional safety congress ever held in the United States, and as it was carried through with unquestioned success, the central states safety congress is established as an annual event. The plan of holding regional meetings was adopted when the national congress became so large and diversified that it was found difficult to find a city with accommodations great enough to take care of the convention.

Automobile Hazard Chief Topic

Safety in all walks and phases of life was considered at the meeting in Kansas City with, however, the greatest emphasis on the problem of public safety. It was estimated that 70 percent of all the subjects of the meeting were on the question of public safety, while 30 percent dealt with industrial safety.

The automobile hazard was the pivotal consideration of the congress. It was observed that regardless of what phase of safety was discussed reference was made to the control of the automobile problem. Great emphasis was placed on the need for the adoption of the Hoover traffic code in all states. The importance of licensing all motor vehicle drivers, and the imperative need of uniform traffic regulations throughout the country were especially stressed.

Reach School Children

The school safety session, which was designed to show the safety work in the Kansas City schools was one of the most successful meetings. The safety work in the schools here was cited by Miss Idabelle Stevenson, executive secretary of the educational division of the N. S. C., as one of the most excellent and successful pieces of such work in the country. The fact that it is difficult to teach safety to the adult mind, and that the future of all kinds of safety work, whether public or industrial depends on the thorough inculcation of principles of safety in the child, made this session of especial interest to all groups in the convention.

Held Safety Week

Last week was safety week in Kansas City, and the speakers' bureau of the Kansas City Safety Council arranged for speeches to be made to more than 75,000 people in the course of the week. Safety experts in attendance at the convention were invited to address many of the civic organizations as a part of this speaking program.

Travelers Twin City Meeting

The annual sales conference of the Twin City branches of the Travelers' opened in Minneapolis Monday. Approximately 300 representatives, not only from Minneapolis and St. Paul, but also from various parts in the state, were in attendance.

The conference was addressed by three representatives from the home office, D. J. Bloxham, life department; J. H. Egloff, casualty, and P. D. W. Anderson, fire insurance. The conference was directed by C. E. Dalrymple, manager of the casualty division, Minneapolis; W. L. Droege, manager of the life division, Minneapolis; H. A. Welch, manager of the fire division, Minneapolis; Hal Walker, manager of the life, accident and group division, St. Paul, and H. Dauchev, manager of the casualty division, St. Paul.

NEW OHIO HEARING ON TWENTIETH CENTURY

Superintendent Safford Again Takes Up Application for License in That State

CONFERENCES IN ILLINOIS

After Informal Discussion, Director of Trade and Commerce Favors Maintaining Status Quo

Insurance Superintendent W. C. Safford of Ohio scheduled a meeting this week at which time he is to hear the petition of the Twentieth Century Life of Chicago for a license to do business in the state. The notices of the hearing were sent out April 15 by Superintendent Harry L. Conn, that being the last day of his incumbency of office. A hearing was held a few weeks ago before Judge Conn at which President C. H. Boyer was present with a number of representatives of the Twentieth Century Life. Secretary James F. Ramey of the Washington Fidelity National of Chicago was also present with the company's counsel, Arthur I. Vorys of Columbus, former insurance superintendent.

Suggested Illinois Hearing

At that time Judge Conn stated that in his opinion it was the duty of the Illinois department to hold a hearing as to the charges against the Twentieth Century Life made by other companies to the effect that it was raiding the agents and policyholders of other companies and thus causing much waste, injustice and demoralization. Judge Conn suggested that if the matter were exhaustively presented before the Illinois authorities, a record of proceedings should be taken and dispatched to the other states where the Twentieth Century is applying for admission. It was generally understood that a hearing would be arranged before the director of trade and commerce in Illinois.

Conferences With Bailey

Since the former Ohio hearing there has been more or less jockeying for position. The Twentieth Century Life retained Attorney Clifford Ireland of Peoria, former director of trade and commerce, who held conferences with Director H. U. Bailey. Last week Mr. Ireland and President Boyer of the Twentieth Century were in Springfield. Director Bailey asked Attorney C. H. Jenkins, representing the Washington-Fidelity-National; President H. B. Hill of the Abraham Life of Springfield, President G. C. Rockwood of the Merchants & Bankers Casualty of Springfield and a representative of the American Bankers of Jacksonville to come to his office for an informal discussion. Mr. Bailey said that he did not think it necessary to have a formal hearing. No one was sworn and the conversation hinged about the complaint that had been filed with the department protesting against the methods of the Twentieth Century Life.

Telegram Sent to Conn

As a result of this conference Director Bailey sent the following telegram to Judge Conn of the Ohio department: "As a result of a conference held Tuesday in my office concerning the Twentieth Century Life it was decided to allow matters of complaint to stand status quo. It was further agreed that in the event of further complaint charges should be filed by either side in writing and in case such charges are filed there will be full investigation by this department. C. H. Boyer of the Twentieth Century and representatives of four

PRESIDENT WARD'S GOOD WORK BEGINS TO SHOW

EXPENSE HAS BEEN REDUCED

Republic Casualty of Pittsburgh Now Has a Well Rounded Organization and Is Moving Forward

The Republic Casualty of Pittsburgh under the administration of President Joseph W. Ward has been able to reduce its overhead expense materially. For instance, Mr. Ward arranged for new quarters in the Wabash building, which is outside the central business district, but is a very convenient location, cutting down the rental about one-third and yet giving the company a larger and more convenient space. He has also been able to bring about greater efficiency in the office working staff so that a fewer number are doing the same amount of work.

President Ward has been able to bring to the directorate of the Republic Casualty some of the most influential and successful business men of Pittsburgh. Having been formerly a banker he was brought into contact with the financiers of his city. He has reorganized the staff so that he has a well running machine. Vice-President Davis, in charge of production department and agencies, has been revamping the plant in a number of points. President Ward himself is looking after the larger surety underwriting cases.

other companies were present. Indications are there will be no further cause for complaint. The conference was informal and was held upon my suggestion."

Bailey Reviews Conference

Director Bailey dispatched a letter to Attorney Jenkins amplifying to some extent the result of the conference, his letter being as follows:

"A conference was held at my office in Springfield for the purpose of considering the situation growing out of certain complaints filed with this department concerning the Twentieth Century Life Company. At this conference, in addition to yourself, there was present C. H. Boyer, president of the Twentieth Century Life Company, together with representatives from three other insurance companies. The proceedings were informal and the conference was held at my suggestion.

"The subject matter was directed in a general way along the lines pertaining to the ethics of the insurance business. The complaints on file with this department were not taken up at this time.

Held in Status Quo

"As a result of the conference it was decided that the situation would remain in status quo and that the matter of a hearing on the complaints would not be held unless developments in the future appeared to warrant such action. It was agreed by the parties present that in the event of further complaints such complaints would be filed in writing with the department and an opportunity afforded the opposite parties for reply. In the event that a satisfactory agreement would not be obtained in this manner the department will set a date for a formal hearing on the complaints. It is my hope that as a result of this conference the things complained of will cease and that there may be no cause for reopening the matter."

Renew Request for Investigation

Later Attorney Jenkins in a letter to Director Bailey declared that after conferring with his client he was advised that the Twentieth Century Life was continuing the practices complained of. He urged that the department assign someone to investigate the entire situation so that the director might have first hand knowledge of what was going on.

BEHA RULES AGAINST DISCRIMINATORY CLAUSE

INVESTIGATION TO BE MADE

Superintendent Holds Company Practice Results in Creation of Group of "Preferred Claimants"

NEW YORK, April 20.—A new wrinkle in casualty underwriting, one that must immediately be discontinued, at least so far as companies licensed in this state are concerned, is the lately disclosed practice of making certain assureds "preferred claimants" in the event the company assuming a risk becomes insolvent. Through special agreement certain reinsuring offices undertake to set aside the full amount of the reserve under a compensation cover to guarantee the payment of claims, this being identical in principle with the "bank deposit" arrangement ruled against by the New York department in 1923. The latter plan provided for making special deposits for favored assureds, these funds to be under the joint control of the insurance company and particular policyholders.

Reinsurers Are Offenders

Both schemes are held to be highly improper in that they create preferred creditors, something not permitted by the insurance laws. The practice would not be tolerated by a court of equity. The funds of an insurance company are for the common protection of all policyholders and not for the benefit of any particular assured, or class of assureds.

It is not thought any direct writing company has indulged in the practices complained of, though evidence that certain reinsuring offices, happily limited as to number, have sought business upon such basis. As soon as Superintendent Beha was apprised of the scheme he addressed casualty companies licensed in New York as follows:

"This is to advise that under date of April 16, 1923, the department ruled against the use of a so-called 'bank endorsement' in connection with the acceptance of risks under workmen's compensation policies.

Discrimination Results

"It is the department's understanding that certain companies today are writing contracts covering excess compensation risks which include in their contracts a 'funding or deposit' clause identical in principle with the 'bank endorsement' referred to above. Such a clause, requiring companies to set aside specific securities in trust for the benefit of a particular assured covering all possible liability in respect to every compensation claim, results in discrimination and amounts to preference of a particular creditor in the event of liquidation. The unfairness and iniquity of transactions of this character are apparent.

"Please advise as to the position your company has taken in the premises and submit at an early date a complete and itemized list of all such compensation risks, together with the amount of the securities or cash deposited if a 'bank endorsement' or 'funding or deposit' clause has been used in connection with the underwriting of workmen's compensation business."

Would Raise Personal Injury Limit

LANSING, MICH., April 19.—Still higher personal injury judgments in automobile accident cases may be expected in Michigan if a bill just introduced in the legislature by Senator Barnard is enacted. The measure affects cases involving child victims, providing that a driver responsible for the death of a child, if shown negligent and therefore responsible, may be ruled liable for specific additional damages for depriving the family of the child's society and companionship. Juries might also assess punitive damages in such cases, the bill further provides, so that practically no limit would be placed on the amount of judgment.

INTEREST IN DECISION ON NOT-TAKEN BUREAU

Injunction Restraining Operations of Organization Results in Much Discussion

RADICAL CHANGES NEEDED

Attention Is Directed to Satisfactory Functioning of State Department Plan for Fire Policies

NEW YORK, April 20.—Whether or not appeal will be taken by the central bureau of casualty companies for dealing with "not-taken" policies and binders from the recent injunction granted by Judge Nathan Bijur of the supreme court, temporarily restraining the further operation of the organization, will probably be determined within a few days following an extended study of the decision by legal talent. Whatever conclusion is reached, it may be taken for granted that the interested companies will find some legal means for checking the not-taken policy evil, the correction of which is manifestly in the interest of the insuring public as well as of the insurance companies.

Radical Changes Needed

It may be, as the court maintains, that the present plan of the bureau violates the rating law of the state and that the arrangement will have to be radically altered to conform to the statute. Not all company executives were in accord as to the original plan, some maintaining that its terms were too drastic and that the end sought could be attained through less onerous provisions. The basis of Justice Bijur's decision is that the central bureau is a part of the National Bureau of Casualty & Surety Underwriters, a rate-making body, and that the authority of rating bodies is restricted under the statute to matters affecting rating.

Department Plan Satisfactory

Prior to the creation of the special bureau by the casualty companies, the fire underwriters perfected a plan for collecting earned premiums along materially different lines in that the entire work is performed by the insurance department, all records being held by that office and no underwriter having access to them. In other words, instead of being a company function, the administration work is performed by a branch of the insurance department. It alone passes upon complaints, determines their reasonableness and prescribes penalties in the event of convictions. Thus far the scheme has worked satisfactorily and no serious complaint has been lodged against it by the brokers.

Oppose Company Scheme

On the other hand brokers in the metropolitan district and local agents throughout the state have been up in arms against the plan of the casualty companies from the first, and numerous protests against its enforcement were lodged by both classes of business producers. Superintendent James A. Beha, who was in complete sympathy with the arrangement, advised the agents to give it a fair trial before condemning the plan, but unwilling to do this, a broker instituted suit, seeking a restraining injunction and this has since been allowed.

That the "not-taken" policy evil is a serious one can not be gainsaid. The casualty companies maintain that the cost of issuing policies and binders which for one reason or another are not paid for by the assured, amounts to approximately \$6,000,000 annually in

(CONTINUED ON PAGE 48)

A CONTRACT is no stronger than the fairness of the men who interpret it.

THIS ORGANIZATION, now under the Presidency and General Managership of JOSEPH W. WARD, prominent Pittsburgh banker, supported by a highly representative board of directors who are major factors in the Pittsburgh district's commercial world, embarks upon a rejuvenated era of service, marked by the closest cooperation with representatives, and high fidelity to the spirit of its contracts.



JOSEPH W. WARD, President and General Manager

**Our agents
sell the
coverage and
we deliver
the goods**

ZURICH

**General Accident & Liability
Insurance Company, Ltd.**

HEAD OFFICE, Chicago EASTERN DEPT., New York

HAGEY H. CAMPBELL MAKES OBSERVATIONS ON COMPULSORY AUTOMOBILE INSURANCE

HAGEY H. CAMPBELL, of Pittsburgh, head of one of the well known agencies of that city, who is regarded as a very keen observer, makes a timely contribution on compulsory automobile liability insurance. Mr. Campbell has given much thought to this subject. He says:

The popular demand for compulsory automobile liability insurance arises out of emotional reactions from observations of distress and hardship due to injuries resulting from automobile accidents. Blindly such insurance is being grasped as a panacea for that evil. So far from being a panacea therefor, reason and reflection make clear that it would be a very dubious remedy. At best it would fall far short of expectations. Its benefits would be more than outweighed by its disadvantages and dangers.

Would Be Limited in Scope

Certainly such insurance would provide no relief to the victims of automobile accidents in the mass. It would insure the payment of damages only to those who are legally entitled to damages, that is, who without any contributory fault of their own, are injured solely through the faults of others. That rule of liability would exclude from the benefits of the insurance about two-thirds of the injured in automobile accidents. And of the remainder—those who are legally entitled to damages—again about two-thirds would gain no benefit from compulsory insurance, since, under existing conditions, they are already assured of redress by reason of financial responsibility of the motorists at fault.

Larger Percentage in Cities

It is true that only about 20 percent of automobile owners are now insured. But the percentage is unquestionably much higher in the cities, where the mass of accidents occur. A large proportion of the uninsured—big corporations, farmers and others—are amply responsible to meet all liabilities they incur, up to reasonable limits. There remain, then, only about 10 per cent of the injured in automobile accidents whose misfortune—inability to collect the damages to which they are entitled—compulsory insurance is at all adapted to remedy.

Remedy Would Be Defective

But even as to such small percentage it would be a defective remedy. It would afford no security for redress for injuries by automobiles from other states, by unlicensed or stolen automobiles or by automobiles used by employees or others, for "joy-riding," without the owner's consent. It would be of no avail in practice where there are no witnesses to the accidents and the motorists at fault got away. And it would not apply to accidents on private ways or parking areas or in or about garages or filling stations.

To sum up: Of the cases of hardship and distress resulting from automobile accidents, this proposed panacea would leave well over 90 per cent untouched.

Would Bring About Evils

Besides thus falling far short of expectations, compulsory insurance would entail evils outweighing the little good it might do. It would impose upon automobile owners a tremendous charge for insurance, without commensurate benefits to the public. It would violate long established principles by singling out motorists from all classes of persons who may do harm to others and requiring them alone to advance security for the redress of future wrongs they may never commit. It would penalize the careful and the careless alike, because of the misconduct of the careless, and the responsible and irresponsible alike, because of the existence of the irresponsible. It would increase litigation, with all its waste of time and expense for jurors, witnesses and litigants, together with fraudulent, speculative and exaggerated claims.

gants, together with fraudulent, speculative and exaggerated claims.

Would Create Unfavorable Results

It would interfere with freedom of contract in insurance, compel carriers to insure improper risks and to grant improper coverage and inject politics into the fixing of premium rates, all to the detriment of the better classes of insureds through a progressive increase of the charge on them. It would necessitate a big bureaucracy, continually crying for enlargement and increases in salaries, and thereby entail a heavy and continually increasing burden of expense upon the already overburdened taxpayers. And finally—last but far from least—instead of serving to reduce accidents it would tend to increase them.

No Accident Prevention Measure

It is a pure delusion to regard compulsory insurance as a means for accident prevention. The condition of being insured certainly would not make those now uninsured any more careful, whereas it might have the opposite effect upon some of them. And the fact that insurance would be necessary for the registration of automobiles would not eliminate unfit and reckless automobile drivers, since drivers as such would not be at all affected but only owners. The direct way to eliminate unfit and reckless drivers is through the license law and better policing. If the state will not or cannot do it in that direct way, it is idle to expect it to be done indirectly through insurance, and more particularly through insurance that must be furnished to all applicants indiscriminately in the absence of proof of good ground for refusal.

The ways and means for the promotion of safety and the reduction of accidents on the highways have been pointed out in the report of the National Conference on Street & Highway Safety—popularly known as the "Hoover Conference"—and compulsory insurance is not among them. By diverting the attention of the public, the energies of officials and the expenditures of the state from the true ways and means for highway safety, compulsory insurance would positively tend to increase accidents.

Plan Is an Experiment

One accident prevented will prevent more distress than many accidents compensated. And the money required for the mere "red-tape" of compulsory insurance, if intelligently expended for highway safety, would prevent a multitude of accidents. Those who clamor intemperately for compulsory insurance should pause to consider the seamy side of their project.

It is not as if compulsory insurance were a tried remedy, proved to be efficient, or as if there were no alternative. On the contrary, the first experiment with compulsory insurance is only just beginning in Massachusetts, with results yet to be demonstrated but with some unfavorable reactions already developed, whereas a less radical alternative is being tried in Connecticut.

Under the circumstances, manifestly, the part of wisdom in other states is to pause and observe the results of the pending experiments. In the meantime any attempt to impose compulsory insurance on the motorists of the state would be manifestly premature and should be vigorously opposed.

Blackwell & Douglass Move

Blackwell & Douglass of Chicago, managers of the western department of the Constitution Indemnity, have moved to the new Adams-Franklin building, where they will occupy more commodious quarters on the 13th floor. The western department of the Fire Association will occupy space in this building and will also be located on the 13th floor, practically all the space being used by these two companies.

"Independence Complete Protection" for Aircraft

Another "Beacon of Safety"

"Independence Complete Protection" insures against all aircraft hazards and is another "Beacon of Safety" for Manufacturers, Owners, Operators, Pilots, Shippers and others in this rapidly growing and essential industry.

Seven coverages are obtainable in the Independence Companies "All-in-One" policy—other coverages in separate Independence policies.



The INDEPENDENCE COMPANIES

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Casualty Insurance / Surety Bonds
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♦♦ [These Companies maintain Human Relations with their Agents, Brokers and Policyholders] ♦♦

WORKMEN'S COMPENSATION

WEST VIRGINIA FUND SOUND

Joint Legislative Committee After Exhaustive Investigation Praises Administration of Business

CHARLESTON, W. VA., April 20.—The West Virginia workmen's compensation fund is solvent and its administration has been accomplished at a minimum of cost. Such is the verdict of the joint legislative committee which has filed its report. There is a surplus as of Feb. 28, 1927, of \$120,758 which by June 30 will reach \$300,000. There are reserves sufficient, were the fund to be closed and the department to cease to function, to meet all outstanding obligations. The funds are invested with an earning power of 5.2 percent. The administration cost is 4.27 percent.

Recommends Higher Salaries

The committee recommends that more money should be spent in better pay to employees of the department, increase in service to include audits of payrolls, more and better actuarial studies, more attention to rehabilitation of the injured, classification of hospitals with power to transfer patients to better hospitals, and the granting of more discretion to the commissioner in accepting applications and in granting compensation in special cases. The time limit for filing applications and the statutory limitations in matters of compensation should have some flexibility to meet exceptional cases.

As to the administration of the fund the committee stated in its report: "It was disclosed in this investigation that the earnings of the compensation fund have been and promise to continue in excess of 5 percent per annum, that the rate of 4 percent per annum, used by the commissioner, in computing the claim reserves, is considered conservative, and that the actual surplus, in view of the larger interest earnings, may be safely regarded as in excess of that shown in the commissioner's statement made before your committee."

Cost Unusually Low

"Again, it was disclosed at the hearings that the compensation fund has been and is now administered at the remarkably low cost of 4.27 percent of premium receipts up to Feb. 28, 1927, as compared with administrative cost of 8 to 16 percent in many other state compensation funds and of more than 40 percent in the stock companies of our country engaged in writing workmen's compensation insurance."

The fund as of Feb. 28, 1927, had assets of \$15,050,773. The premium income for 1926 was \$35,584,458 and interest on investments \$4,733,981. The total income was \$40,462,566. Total awards amounted to \$38,787,450 while the administrative expense was \$1,519,874.

Michigan Bill Passes Both Houses

LANSING, MICH., April 19.—Workmen's compensation benefits will be increased to \$18 weekly maximum in Michigan as the result of passage by both houses of the Wade-Bartlett bill. Governor Green's signature is a certainty as the governor promised a liberalized compensation law when campaigning for office and later appeared in behalf of the bill at a public hearing.

The maximum weekly rate is advanced in the new act from \$14 where it has been since passage of the original law in 1912. Maximum percentage of the average weekly wage to be paid is 66% in the new act as compared with 60 in the old law. Loss of various members will result in increased payments. The principal section stricken from the original bill was that which would have made all occupational diseases or injuries compensable no matter whether their origin was accidental or otherwise.

KANSAS RATES ARE RAISED

Average Increase in Compensation Costs of 11.4 Percent Due to Liberalization of Benefits

TOPEKA, KAN., April 20.—There is to be an increase of 11.4 percent in compensation insurance rates in Kansas under the new workmen's compensation which becomes effective July 1, under the schedules proposed by the National Council on Compensation Insurance. The council has just filed with Superintendent Baker the new schedule of rates with a comparison of rates under the present law. The schedule shows that the new law will increase compensation claims approximately 20.4 percent above the old law, provided the number and character of claims run approximately the same under the two laws. By reason of the removal of numerous ambiguous sections of the old law and rulings by the Kansas courts the insurance companies will not suffer so much from penalties under the new law, so they propose an increase of 11.4 percent in rates.

Basic Rate Is \$1.48

By the terms of the schedule filed with the department the basic rate under the old law is \$1.33 and the new schedule will be \$1.48. The actual application of the 11.4 percent increase would really bring the rate to \$1.51 but by using the credit and charges allowances the new basic rate is fixed at \$1.48.

Mr. Baker has sent a copy of the new schedule to the various employer associations in the state which participated in the framing of the new compensation law. The associations and employers are to meet April 28 to consider the new rates. The new rates are being checked by the rating bureau of the department also. It is expected that about May 10 the first hearing on the new schedule will be held when the companies writing the business and the employers may present their views. In the new law the payment for the death of an employee was raised from \$3,800 to \$4,000. In the disability schedule the maximum payments were raised from \$15 to \$18 per week. There is an increase in the medical attention and the burial allowances also, as compared with the old law.

NEW JERSEY RATES SENT UP

Revision Is Made to Meet Current Losses—Stability Thought to Be in Sight

The New Jersey Compensation Rating & Inspection Bureau has issued the results of its review of New Jersey compensation experience and of the revisions of premium rates, rules and classifications. Chairman A. R. Lawrence of the bureau says in commenting on the result of revision:

"It is again necessary to carry premium rates to a still higher level to meet the current burden of losses. The increase being promulgated this year, 5 percent, is less than for any other recent revision, and may possibly be accepted as evidence of approaching stability, or that the increasing compensation costs may have been quite completely overtaken. That this conclusion is a fairly reasonable one may be supported by the fact that the bureau has rather liberally interpreted the provisions of the standard rating formula in the effort to obtain complete premium adequacy."

"Of possibly more than passing interest at this time is the fact that this bureau has revised the traditional minimum premium formula by increasing the basic pay roll exposure from \$1,000 to \$1,500. By this action the bureau has maintained the original underlying prin-

ciple, i. e., that the minimum premium should include a fee sufficient to cover the cost of placing the business on the books of the company plus a premium reflecting the exposure of one average full-time worker. Investigation discloses that \$1,500 is about the present annual earning of one full-time worker, broadly averaging all classes of employment."

ARE PRESSED FOR CAPACITY

Local Agents Find Their Companies Are Cutting Down More and More on Compensation

Local agents in a number of western points find themselves confronted with a very serious situation in regard to their workmen's compensation lines. They realize that their companies are refusing to renew any risks at expiration, or are demanding other classes of insurance with the renewal. While in the past an agent found that one casualty company was sufficient to carry his business now it is seen that where an agent represents even two or three companies he cannot have his compensation risks taken care of as he desires. The upshot of the matter is that many agents are looking the field over to ascertain the attitude of other companies on compensation. As a rule a company does not desire more than 25 percent of an agent's premium in compensation. Even at that it seeks to have this undesirable business sweetened with the more desirable classes. In some sections agents find that they are very much embarrassed by the attitude of their companies as they have become exceedingly independent and have plainly stated that they are not seeking compensation business.

Sheepmen Advised on Compensation

SALT LAKE CITY, UTAH, April 20.—Chairman McShane of the Utah Industrial Commission has advised those employing sheep shearers to take out workmen's compensation insurance. Mr. McShane admits he is not certain such employment comes within the scope of the Utah compensation law, but adds: "If you do elect to come within the act, your liability then is shifted to others and you would not be held in any way responsible should some unfortunate accident cause serious injury and a long period of disability to one of your employees." The Utah compensation law does not include agricultural workers, but the commission points out that the men who own the sheep are not furnishing the shearing corrals and the equipment used, and for that reason it is believed the courts might regard the work of the sheep shearer as commercial rather than agricultural and therefore within the scope of the law.

Illinois Bill Up

House Bill 385 in the Illinois legislature, the agreed workmen's compensation bill, will be considered by the house judiciary committee this week.

Pennsylvania Benefits Increased

Governor Fisher of Pennsylvania has signed the bill increasing materially the benefits under the workmen's compensation act. It is estimated that the new law will increase compensation payments in the state by about \$2,800,000 annually when it becomes effective next January.

Rates are increased approximately 25 percent while the waiting time is reduced from 10 to seven days. The weekly maximum and minimum are raised to \$15 from \$12 and to \$7 from \$6, respectively, while the aggregate maximum payable for disability is raised to \$6,500 from \$5,000.

The maximum wage on which death compensation shall be based is increased to \$24 from \$20, and the minimum to \$12 from \$10. The percent of wages to be paid in compensation is raised to 65 percent from 60 percent, in each class of dependency with the exception of the rate payable to dependent brothers and sisters.

Extend Nebraska Law

LINCOLN, NEB., April 29.—Governor McMullen has approved the senate bill providing that when farmers take out

workmen's compensation insurance they automatically come under the compensation law and their employees are governed by its provisions unless they give notice to the contrary. Governor McMullen also approved the bill placing volunteer firemen under the workmen's compensation law while they are on duty responding to alarms and returning from fires.

The amended workmen's compensation bill, which passed the upper house, has been killed in the insurance committee of the house, by agreement of all parties concerned. The bill sought to amend the law with respect to doctors' fees, cutting down the amounts very materially. There was also a clause permitting workers, with the consent of the compensation commissioner, to waive any claim for preexisting diseases or crippling.

ACCIDENT AND HEALTH

BROWN TO SUCCEED CROWLEY

Superintendent of Accident Department of Missouri State Life Promoted to Manager

Read H. Brown, superintendent of the accident department of the Missouri State Life, has been promoted to the position of manager of the department made vacant by the resignation of John J. Crowley. The position of second



READ H. BROWN

vice-president of the company, held by Mr. Crowley, has not been filled.

Mr. Brown has been associated with the Missouri State Life as superintendent of the accident department since May, 1921. He is 34 years old and a native of Binghamton, N. Y. He graduated from Wesleyan University with a bachelor of science degree.

For four years he was accident and health underwriter for the Travelers on the Pacific Coast. Prior to that he had managed branch offices for the Travelers in Omaha, Neb., Bridgeport, Conn., and Springfield, Mass.

NATIONAL LIFE STANDS FIRST

Company Writes Total of Almost \$9,000,000 of Health and Accident Business During Year 1926

Analysis of figures on business done in 1926 by stock accident and health companies writing only these lines, as distinct from those writing these and other lines, shows the National Life & Accident of Tennessee in first place as to net premiums written. In second place stands the Metropolitan Life, and in third, the Massachusetts Protective. The National L. & A. total net premiums written in 1926 were \$8,950,052; in 1925, \$8,687,836. The Metropolitan's net premium total in 1926 was \$6,601,128; in 1925, \$4,580,080. The Massachusetts Protective was not far behind the Met-

Burglars Are Busy

BURGLARS and hold-up men are working over-time these days. It is unusual when one does not find in his daily paper a report of another robbery. Some home has been entered, a store pillaged, a bank robbed or a messenger held up.

All of which means that today there is a greater need and a more wide-spread demand for all kinds of burglary insurance than ever before. It means also that agencies not now equipped to write burglary insurance, are missing out on a very real opportunity to increase their income.

There is an F & D burglary policy for every need. The various coverages furnished by the Company are broad and the same prompt service which characterizes the F & D's adjustment of claims under its fidelity and surety bonds, is also a feature of its burglary policies.

If you are not now writing burglary insurance, ask the nearest F & D General Agency or Branch Office for information regarding a connection with the Company. Or, if you prefer, use the application coupon below.

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of Maryland
BALTIMORE

FIDELITY *and* SURETY BONDS *and* BURGLARY INSURANCE

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PRODUCTION DEPARTMENT
FIDELITY & DEPOSIT COMPANY
Baltimore, Md.

If you are not already adequately represented in this territory I will be glad to have full information regarding an agency connection with your company.

(Signed)

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A SOUND UNDERWRITING POLICY
on Automobile and other Public LiabilityThe NEW minimum basic limits we have
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AT NO ADDITIONAL PREMIUM CHARGE

over what is ordinarily charged for limits
of \$5,000/\$10,000 and \$1,000 respectively.

We offer this to our agents as a very VALUABLE selling point when soliciting Automobile and other Public Liability. This one point alone should very materially increase Agents' business.

We are a new company and are not bound by antiquated customs. We realize the necessity for close cooperation and fair dealing with agents and are prepared to render all possible assistance.

We are interested in establishing agents in the following states—

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Delaware
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Illinois

Indiana
Maryland
Michigan
Rhode Island

Minnesota
New Jersey
Ohio
Pennsylvania

We write

AUTOMOBILE

Personal Injury Liability; Property Damage Liability; Collision (deductible); Plate Glass Breakage; Personal Accident.

OTHER LIABILITY

Manufacturers' and Contractors' Public Liability; Owners', Landlord's and Tenant's Liability; Theatre Public Liability; Teams Public Liability; Contingent Public Liability; Sports and Golfers Liability.

WORKMEN'S COMPENSATION

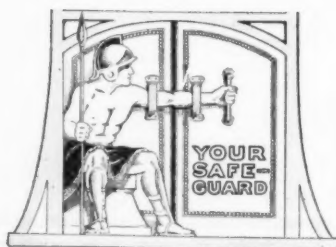
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FREDERICK E. WILKENS, Vice-Pres. and Gen. Manager

Get out of the "DANGER ZONE"—into the "SAFETY ZONE"

ropolitan in 1926, with \$6,492,595 of net premiums written. The 1925 total was \$6,070,060. The following are the net premium and loss figures for the companies whose net premiums totaled more than \$100,000 in 1926:

	Net Premiums	Losses Paid
Abraham Lincoln ...	\$ 423,923	\$ 182,588
Alta Friendly Soc. ...	339,976	171,328
Amer. Bankers ...	1,395,861	601,719
Amer. Life & Acc. ...	983,804	278,981
Amer. Nat. ...	987,586	278,981
Atlanta Life ...	1,655,436	693,452
Bankers Health ...	1,424,531	720,771
Boston Cas. ...	141,384	64,611
Brotherhood Acc. ...	479,506	260,733
Business Men's, Mo. ...	3,418,722	1,950,955
Business Men's, N. C. ...	675,604	226,600
Capital City ...	111,478	48,326
Carolina Life ...	896,008	325,716
Central Indus. ...	223,711	93,197
Columbian Nat. ...	404,793	228,348
Columbus Mut. ...	101,474	43,996
Commonwealth ...	103,305	...
Conn. Gen'l ...	2,029,183	712,445
Continental, Mo. ...	958,742	462,858
Continental, Va. ...	1,343,838	464,704
Cosmopolitan ...	180,319	77,819
Domestic L. & A. ...	251,643	86,696
Durham Life ...	1,259,543	456,096
Eastern Cas. ...	307,268	132,717
Empire L. & A. ...	973,216	392,826
Federal Cas. ...	589,129	263,626
Federal Life ...	2,774,150	1,660,133
Gate City ...	424,180	137,827
Great Northern ...	1,243,523	684,745
Great Western ...	817,568	329,995
Gulf Life ...	1,045,044	327,100
Home Ben. ...	2,953,246	1,258,287
Home Friendly ...	1,455,398	656,057
Imperial ...	710,297	195,668
Income Guar. ...	417,730	245,458
Independent L. & A. ...	315,114	119,098
Industrial H. & A. ...	680,215	...
Industrial L. & H. ...	3,229,084	1,546,525
Inter-Ocean Cas. ...	2,011,671	870,118
Inter-State L. & A. ...	877,971	417,235
Kentucky Centr. ...	2,172,497	899,852
Liberty, Kan. ...	252,298	155,009
Life & Casualty ...	2,409,005	1,582,378
Lincoln-Republic ...	277,346	106,259
Loyal Protective ...	1,116,268	591,791
Mass. Acc. ...	907,634	402,607
Mass. Prot. ...	6,492,595	3,959,274
Meridian Ins. ...	319,440	155,148
Metrop. Life ...	6,601,128	3,708,299
Midland Cas. ...	277,807	136,895
Missouri Ins. ...	1,116,435	495,923
Mo. State Life ...	583,913	310,918
Monarch Acc. ...	1,428,457	730,564
Mutual Ben. Soc. ...	300,737	12,195
Mutual Cas. Chl. ...	354,224	82,661
Mutual Ins. Va. ...	469,258	225,573
Nat. Acc. ...	138,525	43,711
Nat. A. & H. Pa. ...	534,748	188,936
Nat. Cas., Mich. ...	1,429,065	729,204
Nat. Ins., Va. ...	225,096	88,481
Nat. L. & A. Tenn. ...	8,950,052	4,451,960
No. Amer. Acc. ...	2,643,837	1,048,243
Northern Life ...	498,580	95,092
Occidental ...	249,616	68,479
Old Line Life ...	157,047	...
Pacific Mut. ...	5,757,295	2,407,904
Peerless Cas. ...	251,011	118,320
Peoples Indus. ...	316,138	130,455
Peoples Life ...	2,662,611	956,229
Pilot Life ...	202,805	102,654
Pioneer Ins. ...	122,927	40,417
Provident Indus. ...	199,583	82,657
Provident L. & A. ...	3,373,489	1,562,595
Reliable L. & A. ...	856,247	379,410
Reliance Life ...	678,621	355,903
Richmond Benef. ...	491,826	229,585
Ridgely Prot. ...	1,124,742	677,532
Southern Aid, Va. ...	770,266	379,755
Southern Ins., Tenn. ...	2,032,825	512,475
Southern L. & H. ...	1,414,059	541,075
Star Life ...	312,159	123,856
Time Ins. ...	503,417	239,072
Travelers Equit. ...	377,883	191,857
Union Life ...	453,928	177,157
United Cas. ...	110,886	62,025
United Craftsman ...	111,432	45,547
Universal ...	179,408	77,319
Va. Life & Cas. ...	193,136	63,924
Washington Fld. ...	4,868,075	1,988,806
Western Cas. ...	472,315	203,868
Wisconsin A. & H. ...	100,738	47,874
Wisconsin Nat. ...	139,824	53,805

Metropolitan Life's Action

The Metropolitan Life announced last week that it would continue the 5 percent dividend on accident premiums for the year 1927 on policies in force three years or more.

Will Consider Claim Ratio

At the meeting of the Industrial Insurers Conference executive committee which is to be held in Chattanooga on Friday, the question of claims will come up. It is stated that the loss ratio has been unusually high for a number of companies and a review of the experience will be made.

License New California Company

The Sierra Nevada Life & Accident of Oakland, Cal., with \$100,000 capital, has been licensed by the California department to write accident business. The company is the outgrowth of the Western National Life, which never completed organization, and the Nevada State Life, which was virtually liquidated some time

ago. The company plans to increase its capital immediately to permit it to write life business. Charles E. Mooser is president, R. O. Longnecker, vice-president, and William A. Rafael, formerly an examiner for the California Insurance department, is secretary-treasurer.

Fort Wayne Deal Approved

Insurance Commissioner Freedy of Wisconsin has approved the deal whereby the Great Northern Life takes over the Fort Wayne Mercantile Accident. Commissioner Wysong of Indiana has also set his approval on the deal.

The hearing on reinsurance of the National Business Men's of Cleveland in the Great Northern will take place April 30. Through these deals the Great Northern Life will extend its organization, A. R. Smith, secretary of the National Business Men's, taking charge in Ohio and C. B. Hiron, secretary and treasurer of the Fort Wayne Mercantile, becoming field supervisor for Indiana.

Bars Cancellation After Disability

A bill has been introduced in the Minnesota legislature providing that "No policy of health and/or accident insurance shall be cancelled by the insurer for any cause within a period of six months after the occurrence of any disability for which indemnity is payable thereunder, except for non-payment of premiums or assessments; but this act shall not apply to non-cancellable policies."

Washington Fidelity Promotions

B. W. Brown has been appointed manager of the monthly and commercial department of the Washington Fidelity National of Chicago. He will also continue to serve in his former capacity as head of the monthly and commercial claim department.

The company also announces the promotion of F. L. O'Hara from field superintendent in Louisville No. 1 to manager of Louisville No. 3 filling the vacancy caused by the promotion of the former manager, C. M. Kelley, to home office representative covering the eastern division. Mr. O'Hara entered the service of the Fidelity Life & Accident as an agent at New Albany, Ind., in August, 1923, when that company was first organized. He was promoted to a field superintendency in July, 1924.

W. T. Hammer Appointed

Wesley T. Hammer has been appointed superintendent of the accident and health department of the New York branch office of the Metropolitan Casualty. He succeeds Harry J. Miller, who has resigned.

INTEREST IN DECISION
ON NOT-TAKEN BUREAU

(CONTINUED FROM PAGE 43)

New York State, and it was with the thought of correcting this wholly unjustifiable condition that the central bureau arrangement was determined upon.

Study Scope of Decision

Just how far-reaching the decision of Justice Bijur may prove to be is a matter for the future to determine. Attorneys of all divisions of insurance are studying it very closely in connection with the practices of the various departments of the business with which they are particularly identified. Lay opinion does not feel that the court's action has any application to the fidelity and surety acquisition cost agreement, rates for these classes of business being secured from a wholly independent source.

Century Indemnity Opens Branch

The Century Indemnity, casualty running mate of the Aetna Fire, has formally opened its New York City branch office. The branch is under the management of Russel & Ziegler, who have represented the parent company in the New York field for a number of years. Harry F. Legg is superintendent of the bond department of the office and Harold P. Hall is superintendent of the casualty department. The production department is in charge of H. B. Morris and T. A. Saulsbury is head of the claims department. Edward J. Cronin is assistant casualty underwriter.

AMONG SURETY MEN

SURETY MAY PARTICIPATE

United States District Court Decides It Can Become General Creditor When Loss Is Paid

In the case of Mellette Farmers Elevator Co. vs. H. Poehler Co. the U. S. District Court in Minnesota holds that where surety bonds are inadequate to meet a situation, a surety may participate as a general creditor, after it has paid the full loss indemnified against. It was on motion of the Fidelity & Deposit for leave to file a petition in intervention, asking for the allowance of its claim against the receivership, as an unsecured and general creditor.

The Fidelity & Deposit was the surety on a \$25,000 grain shippers' bond given by the H. Poehler Company, as a commission merchant, for the protection of such shippers as should do business with the merchant. The latter becoming insolvent, a receiver was appointed. Suit was brought on the bond, for the benefit of the obligees, against which the surety company defended. Judgment was entered against it for the full amount of the bond and interest, in all about \$30,000.

Asked How to File Claim

In the same action, the claims of the grain shippers who were within the protection of the bond were determined, the total claims aggregating over \$100,000. The surety company paid the obligees pro rata upon their claims the full penalty of the bond and interest. Having paid the full amount of its bond, the surety company asked leave to file its claim against the H. Poehler Company, as a general creditor, in the receivership proceedings, on the ground that it was a creditor at the time of insolvency, and that the amount which was due is fully determined.

Position of the Receiver

The receiver took the position that the surety company had no right to file a claim until the claims of the grain shippers were paid in full, and that they never would be so paid in this receivership.

In this connection Judge Sanborn said, "When a contract of suretyship is made, there arises, in the absence of an express agreement, an implied contract that the principal will indemnify the surety for any payment it may be required to make under the contract of suretyship. This implied agreement comes to life when a contract of suretyship is made; from that time on the relation of debtor and creditor exists between the principal and surety."

Amount of Damage Fixed

"The payment of the money under the contract by the surety merely fixes the amount of damages for which the principal is liable, and relates back to the time the contract was entered into. Rice vs. Southgate, 82 Mass. 142; Griffin vs. Long, 96 Ark. 268; Stearns on Suretyship (3rd Ed.) 507, Sec. 280; Kimmel vs. Lowe, 28 Minn. 265; 21 R. C. L. 1097; Smith vs. Young, 55 So. 425; In re Stout, 109 Fed. 794.

"Applying these rules to this case, it is obvious that the Fidelity & Deposit on June 8, 1921, when it executed and delivered the bond here involved, became a creditor of the H. Poehler Company, principal on the bond; that upon the payment of the judgment rendered against it for the full amount for which it could be liable under the bond, it became entitled to reimbursement under the implied contract of indemnity. Up to the time of the payment of the amount of the bond, it was in the position of a creditor having an unliquidated claim. It now has a liquidated claim antedating the receivership."

It was ordered that the motion of the Fidelity & Deposit be granted.

SIFTS OUT THE APPLICANTS

F. R. Stoddard Now Busy in Going Over the List of Applicants for Top Commissions

NEW YORK, April 20.—Of the 87 applications filed with former Insurance Superintendent F. R. Stoddard by those seeking special licenses in this city under which they would be entitled to receive top commissions on fidelity and surety business, 47 have been considered thus far, and all will have been passed upon before May 1, when Mr. Stoddard will make his report. As but 37 companies are licensed to write the two classes of business named in this state, the Century of Hartford being the latest to thus qualify, and as each office is entitled to but one excess commissioned representative, it will mean that the applications of an even 50 must be rejected. No hint as to who the fortunate or the unfortunate are to be, has been given out, nor will anything be known before May 1. Meantime all business producers are being paid the regulation commissions, without extras of any kind.

QUESTION OF LIABILITY UP

Company Raised Important Issue in Case of a Fidelity Bond Covering Certain Officers

Offices named in schedule of fidelity bond held covered whether persons occupying them were duly elected or not. Failure to give notice of employer's default held to preclude recovery of fidelity bond.—In Kornhouser vs. National Surety, supreme court of Ohio, 150 N. E. 921, the company signed a fidelity bond covering the offices of managing director and 2nd vice president of a company. Thereafter the receiver brought action to recover for losses

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company.

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Nebraska, Ohio, Pennsylvania and Wisconsin.

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Home Office:
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Full Coverage
Automobile Insurance

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J. V. KENNEDY
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DETROIT FIDELITY AND SURETY COMPANY

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Our Claim Department is one of the greatest factors in promoting and holding the good will of our agents and their clients. The reason is the prompt handling and satisfactory adjustment of claims.

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alleged to have been caused by the dishonesty of the employees who occupied these positions.

In defense the surety set up that the employees were never duly elected to the named offices. As a further defense, the company claimed that notice of the alleged default had not been given according to the terms of the policy.

Judgment Was Affirmed

The trial resulted in a judgment in favor of the company. On appeal the higher court in passing upon the questions raised, and in affirming this judgment, said:

"The bond did not insure the plaintiffs in error from loss arising from dishonesty of its officials in any 'office to which they had been elected.' It insured them from loss arising from dishonesty of employees occupying, that is, having exclusive possession and control of, the positions named, and the performing the duties thereof.

"In this case it is evident that Fraumhofer and Haas had the exclusive possession and control of these offices, performing every function incident thereto, and they therefore occupied them. To hold that election is necessary to occupation is to stretch the meaning of the word 'occupy' far beyond its original significance. * * *

Notice Was Delayed

"Notice was not given of fraud and dishonesty upon the part of Fraumhofer and Haas until December, 1921. It is conceded that this dishonesty occurred several months before that time, and at least one director had knowledge thereof, and remained a director for a considerable period after that time. In view of that fact, notice was not given in accordance with the terms of the bond, and judgment must therefore be affirmed."

Not Suit Against State

CHARLESTON, W. VA., April 19.—The supreme court of West Virginia has reversed the lower court, permitted the case to be reinstated and remanded for a new hearing the suit of the Fidelity & Deposit vs. Henry Shaid, et al., brought to secure an accounting of assets which are alleged to be subject to recovery on

a surety bond issued by the company to Shaid, a road contractor. The court in its ruling said:

"A suit by a surety on the bond of a state road contractor seeking application of assets of the contractor in the hands of the State Road Commission to the discharge of the liability of the bond; or seeking subrogation of the claim of the commission against a subsequent contractor on the same road project who has appropriated to his own use said assets without proper authority, is not a suit against the state within the prohibition of Sec. 35, Art. 6, of the state constitution."

Settle Minnesota State Claims

ST. PAUL, April 19.—The state of Minnesota has settled with bonding companies for \$17,174 covering the defaultations of Walter C. Martin, former deputy treasurer. Payment of interest on an additional shortage of \$5,738, which was made good, was deferred pending a legal opinion. The state reserved the right to file additional claims against the bonding companies if further shortages are uncovered. The books of the state treasurer are now being audited.

Maynard Has Sales Book

"Sales Talks Touching on Surety Bonds" is the title of a booklet by Stanley W. Maynard, head of the forgery and fraud bond department of the New York Indemnity, which has just been issued. Mr. Maynard is a successful salesman and has put into his booklet a great number of brief points on selling various kinds of bonds. While a considerable part of booklet is given to forgery and fraud bonds, there is also much material on fidelity bonds, bank insurance, bank bonds and contract bonds with extensive hints on closing the sale.

Would Abolish Bond Requirement

LINCOLN, NEB., April 20.—The state senate has advanced to third reading a bill desired by the national banks of the state in order that they may be relieved of the necessity of giving surety bonds for the safe keeping of deposits. The bill provides that bonds shall expire annually. State, county, city and school district warrants are to be accepted from the banks as security for public funds on deposit, as well as securities issued under authority of the federal farm loan act. The pledges must be 20 percent in excess of the maximum deposit.

PERSONAL GLIMPSES OF CASUALTY MEN

George L. Radcliffe, president of the American Bonding of Baltimore, has sailed for Europe, where he will combine business and pleasure. He will be away several weeks.

H. E. Southam, manager of the London Guarantee & Accident and accident manager of the Phoenix Assurance of London, is making his semi-annual visit to this country.

H. B. Hawley, president of the Great Western of Des Moines, is back at his desk from a winter vacation spent at St. Petersburg, Fla., with Mrs. Hawley. B. H. Gross, auditor for the Great Western, has returned here last week from an extensive motor trip through Texas and Mexico, accompanied by his family.

C. A. Bonner, Milwaukee manager of the Aetna Casualty & Surety, entertained **Norman C. Stevens**, secretary of the company and mayor of Hartford, at Milwaukee last week. Mr. Stevens is making a business tour of the middle west.

Hobart A. Martin, Indiana manager of the Republic Casualty, and Miss Helena Kirwer were married at Evansville April 16. After the ceremony the couple motored to Chicago, whence they went to Indianapolis, Mr. Martin's headquarters town, where they will live.

George S. Haskell, surety manager for Fred S. James & Co. of Chicago, died Tuesday morning of endocarditis. The funeral was held Wednesday afternoon

from his home in Oak Park. Mr. Haskell had been sick since last October and had been confined to his bed since before Thanksgiving. He was about 65 years old and had been with Fred S. James & Co. for 24 years as manager of the surety and burglary department. He leaves a wife and two married daughters.

Charles Ripley, superintendent of the Hartford department of the Hartford Steam Boiler, last week celebrated 40 years of service with the company. He received the hearty congratulations of his associates in business, together with handsome floral tributes not only from the company but also from others who have known Mr. Ripley in business and otherwise during his long connection with the company.

Hold Convention at Atlanta

Officials of the National Life & Accident met divisional and district managers in southern territory in a convention at Atlanta last week, and discussed the needs and plans for the insurance business.

Among those in attendance from the home office were C. A. Craig, president; E. W. Craig, T. Leigh Thompson and E. B. Stevenson, Jr., vice-presidents; E. L. Stritch, assistant secretary, and W. R. Craig, purchasing agent. C. A. Craig, who spoke at the first session, discussed plans for a continuation of the company's progress. G. C. Lynch, southern manager, introduced Vice-President Thompson at the afternoon session, and the latter spoke on needs of the casualty department.

Vice-President Stevenson talked on the future of the ordinary department, and Mr. Stritch on the employment of men.

Premiums and Losses in 1926 in OHIO on All Classes of Casualty Business

	Total		Auto. Liab.		Other Liab.		Fidelity		Surety		Plate Glass		Burglary-Theft		Prop. D. & Col.	
	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses
Aetna Cas.	1,088,901	367,428	267,816	126,364	5,419	262	80,101	19,486	224,024	25,702	18,816	5,478	94,350	29,195	360,290	144,196
Aetna Life	1,332,417	660,806	526,355	211,152	252,739	114,814										
American Auto.	985,079	266,692	380,507	153,462									36,087	14,410	229,319	94,050
American Cas.	194,442	69,316	86,452	37,223	5,730	522					13,458	4,918	5,545	421	43,374	9,637
American Employers	31,004	14,711	502		36		3,413	—8		14,653	182		964	20	263	26
American Guar.	277,403	115,724	93,707	39,192			12,646	800	47,280	31,765	2,258	492	21,709	8,800	99,802	34,675
American Mut. Liab.	10,968	56,813	60,084	15,505									17,148	5,972	59,006	28,592
American Reins.	25,000	1,356	5,545	45	2,823										2,600	199
American Sur.	577,914	111,226			5,523		254,337	89,051	233,196	7,274			90,381	14,901		
Atlas Cas.	155,381	11,180	10,269	3,654											45,017	6,363
Bankers Indem.	2,922		1,601		212						89				605	
Buckeye Un. Mut.	104,803	78,213	62,640	19,600							8,123	2,888	21,113	18,290	47,274	27,910
Central West Cas.	139,139	72,564	76,789	39,148	13,107	13,693					3,078	1,634			40,534	15,507
Columbia Cas.	349,470	141,439	142,388	71,324	37,682	14,232	13,821	4,306	14,524	2,888	8,805		10,272	9,490	42,764	27,996
Commercial Cas.	639,950	241,430	270,754	96,607	52,904	16,168	12,885	1,277	24,024	1,388	16,178	7,959	36,254	13,619	104,107	46,676
Commonwealth Cas.	169,818	227,157	91,776	170,360							39				21,200	32,346
Continental Cas.	688,190	333,327	155,140	89,731	12,140	9,825	3,555	40,618	40,080	15,231	7,700	4,151	18,184	5,892	57,580	23,477
Detroit Fld. & Sur.	85,312	575			7,850		7,550		77,462	575						
Eagle Indem.	139,302	52,680	25,734	24,205	12,607	6,774	9,902	774	68,283	7,206	1,302	694	4,419	2,544	10,252	8,629
Employers Indem.	91,508	163,700	49,903	37,836	4,291	515			3,408	109,143	1,903	1,650	8,864	5,615	6,345	3,831
Employers Liab.	753,280	286,479	305,358	99,245	117,108	56,780	30,128	11,394	2,351		15,617	7,873	63,744	15,229	151,402	46,881
Europ. Gen. Reins.	373,964	109,459	26,982		27,484	7,500	33,111	817	55,602	8,576			121,362	42,291	386	
Factory Mut., R. I.	76,636	9,927	47,857	4,099											28,779	4,828
Federal Sur.	114,036	28,557	25,691	12,193	2,570	567	5,627	1,131	39,091	4,052	2,555	533	5,261	572	12,556	3,343
Farm Bur. Mut. Auto.	115,118	8,690	31,114	408									11,521	1,747	62,779	6,305
Fidelity & Cas.	1,390,141	474,626	435,621	167,990	95,090	38,003	110,588	34,813	141,018	10,245	24,630	11,387	152,856	72,535	185,278	63,520
Fidelity & Deposit.	506,601	197,167					250,308	88,050	190,675	91,437			116,618	16,690		
First Reins.	57,464	13,567											724	344		
General Accl.	741,421	315,379	320,158	158,751	80,844	31,971					6,350	2,368	17,800	4,695	151,886	57,116
Gen. Cas. & Sur.	114,275	35,135	66,629	23,957	6,801	685		745	4,573		3,008	1,154	949		31,590	9,339
General Reins.	202,024	50,562	35,371	3,744	15,145	10,000	15,249	2,845	72,239	36,523			30,206	6,742	1,888	
Georgia Cas.	120,357	71,069	67,980	44,928	9,343	4,061					8,321	4,218	4,454	2,327	30,259	15,535
Globe Indem.	817,307	295,029	286,643	129,086	75,565	15,633	39,105	11,178	138,284	38,888	28,838	10,497	82,546	20,691	113,438	38,719
Great Amer. Cas.	56,390	22,659									1,485	170				
Great Amer. Indem.	15,590	73	4,419		723		146		3,011		909		4,370		1,556	78
Hardware Mut. Cas.	16,390	3,419	9,018	1,764	182						839	948	67		4,591	590
Hartford Accl.	1,026,970	448,970	366,696	187,764	107,201	55,239	63,947	29,927	155,182	18,577	22,084	6,122	20,207	62,794	103,457	64,559
Indem. of Amer.	101,016	43,698	54,456	22,440									20,207	62,794	103,457	64,559
Indem. of No. Amer.	407,460	138,488	137,062	44,896	31,878	15,187	43,644	16,648	63,588	10,957	12,200	3,016	33,212	16,537	52,042	18,467
Independence Indem.	220,010	143,010	58,095	23,619	54,642	11,905	32,758	9,234	35,182	79,090	2,210	1,439	10,105	4,273	22,154	7,931
Inland Bonding	19,297						19,297									
International Ind.	146,905	39,434	60,943	8,666	656						3,315		13,418	10,915	62,104	19,838
Liberty Mut., Mass.	19,038	7,374	14,065	3,127	2,332	3,171									1,741	1,076
Liberty, O.	458,569	151,413	174,210	29,649							13,260	4,003			204,002	72,926
Lloyds Plate Glass.	36,936	10,950									36,936	10,950				
London & Lanc.	181,887	95,207	84,281	54,814	13,753	1,700	1,753	—224	25,446	15,848	5,222	1,952	12,730	1,777	34,331	17,733
London Guar.	243,888	130,164	55,108	62,963	50,808	20,014					2,883	1,128	29,926	11,918	37,691	23,331
Lumb. Mut. Cas.	340,406	143,129	218,300	98,121	9,023	3,180	1,237				3,354	592	5,613	1,281	101,900	40,005
Maryland Cas.	994,727	376,210	201,504	138,276	66,805	15,076	116,400	39,579	325,171	46,916	10,247	5,411	65,171	38,339	97,945	43,494
Mass. Bonding	375,872	149,189	84,500	33,613	30,354	5,794	16,414	8,180	33,141	—66	10,200	3,202	21,588	11,620	34,586	14,459
Medical Protect.	132,546	62,003			132,546	62,003										
Metropolitan Cas.	254,405	87,179	23,208	8,604	6,911	4,977	53,068	18,587	112,725	14,941	27,091	10,373	15,164	16,253	11,756	8,117
Metrop. Motor, O.	88,425	33,938	23,129	6,618							38,010	17,225			27,208	10,095
Mich. Employers Cas.	10,002	2,320	5,224	140											4,633	1,760
Mutual Plate Glass, O.	170,364	68,266									170,364	68,266				
National Auto. Own., O.	7,481	4,372	163										2,153	623	3,180	2,674
National Surety	740,956	345,473					319,510	103,625	261,329	180,427			65,984	17,263		
National Union Indem.	64,932	6,220	42,708	3,251	3,326	80					1,265	195			19,633	2,724
New Amsterdam	450,604	178,784	141,020	57,707	4,222	10,755	38,795	11,674	86,346	46,491	10,904	5,764	37,555	11,196	49,728	21,299
New Century, Ill.	515										515					
N. J. Fid. & P. G.	115,775	31,459	41,970	6,789	5,859	490	1,104		11,485	18,205	10,930		10,115	8,667	18,037	5,581
New York Cas.	47,081	14,665	2,908	190	250		3,733		79	37,562	13,807	135			2,405	668
New York Indem.	249,749	94,687	103,240	45,372	30,736	7,737	9,166	2,440	23,595	14,889	7,724	2,600	3,684	889	40,828	14,126
Norwich Union	180,134	31,124	99,428	13,500	13,819	385					9,106	2,003	16,293	2,578	45,026	12,015
N. W. Cas. & Sur.	27,430	2,134	11,475	7,956	3,253	25	1,990		4,419	—9,338	738	15	890		4,303	3,476
Ocean Accl.	764,971	309,013	277,465	139,788	92,936	36,916	8,019	3,051	5,153	1,926	24,491	7,949	60,775	26,868	110,012	47,841
Ohio Cas.	784,041	179,984														

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PENNSYLVANIA CASUALTY COMPANY

LANCASTER, PENNSYLVANIA

(CONT'D FROM PRECEDING PAGE)

	Premiums	Losses
Conn. General	54,927	10,775
Continental Assur.	1,361	.....
Continental Cas.	128,123	33,123
Employers Indem.	1,142	.....
Employers Liab.	22	.....
Equitable Life, N. Y.	54,056	23,389
Europ. Gen. Reins.	16,993	3,997
First Reins.	503	1,626
General Reins.	5,376	4,889
Great North. Life	229	.....
Hartford Accel.	54	.....
Mass. Accel.	3,428	720
Mass. Protect.	391,505	161,695
Metropolitan Life	5,251	1,682
Pacific Mutual	179,288	64,929
Southern Sur.	88	.....
Standard Accel.	889	4,000
Travelers	7,653	7,524
U. S. F. & G.	276	.....
Total, 1926	\$ 759,446	\$ 318,589
Total, 1925	712,516	252,098

STEAM BOILER

	Premiums	Losses
Aetna Cas.	1,500	.....
Columbia Cas.	6,984	1,132
Continental Cas.	2,042	3,260
Eagle Indem.	858	.....
Employers Liab.	7,391	11,331
Europ. Gen. Reins.	5,748	1,113
Fidelity & Cas.	49,863	12,807
General Accel.	5,723	1,115
General Reins.	699	.....
Hartford St. B.	182,527	20,297
Indem. of No. Am.	5,501	1,280
Independence Indem.	1,037	65
London Guar.	5,020	636
Maryland Cas.	18,686	1,845
N. Y. Indem.	20,099	826
Ocean Accel.	19,674	3,901
Republic Cas.	—101	.....
Royal Indem.	23,204	3,984
Travelers Indem.	68,584	32,156
U. S. F. & G.	260	1,396
Total, 1926	\$ 425,875	\$ 106,244
Total, 1925	437,379	51,634

ENGINE & FLY WHEEL

	Premiums	Losses
Aetna Cas.	3,410	5,032
Amer. Employers	2,172	.....
Columbia Cas.	31,891	3,143
Continental Cas.	30	.....
Eagle Indem.	713	.....
Employers Liab.	10,433	2,647
Europ. Gen. Reins.	4,376	16
Fidelity & Cas.	1,950	122
General Reins.	55	83
Globe Indem.	—47	.....
Hartford St. B.	143,158	46,093
Indem. of No. Am.	2,149	1,832
Independence Ind.	309	.....
London Guar.	6,650	163
Maryland Cas.	10,922	9,872
N. Y. Indem.	4,342	7,383
Ocean Accel.	46,590	25,206
Republic Cas.	1,244	886
Royal Indem.	13,176	741
Travelers Indem.	8,673	10,763
Total, 1926	\$ 292,167	\$ 113,892
Total, 1925	373,241	81,417

SPRINKLER

	Premiums	Losses
Aetna Cas.	13,972	6,099
Maryland Cas.	12,432	2,617
Metropolitan Cas.	542	—14
Total, 1926	\$ 26,946	\$ 8,702
Total, 1925	29,488	9,858

CHECK FORGERY

	Premiums	Losses
Standard Accel.	536	.....
Total, 1925	\$ 483	.....

CREDIT

	Premiums	Losses
Amer. Credit Indem.	134,796	94,247
London Guar.	10,143	873
National Sur.	94,133	44,159
Ocean Accel.	72,841	6,658
Southern Sur.	35,753	1,891
U. S. F. & G.	4,774	.....
Total, 1926	\$ 352,440	\$ 147,826
Total, 1925	371,222	104,702

LIVE STOCK

	Premiums	Losses
Hartford Accel.	169	2,500
Hartford L. S.	19,295	15,153
Total, 1926	\$ 19,464	\$ 17,653
Total, 1925	21,584	17,884

Hold Engine, Not Chassis, Insured

Holding that an insurance policy on a truck covered the engine rather than the chassis, the Washington state supreme court affirmed the superior court of Spokane county in allowing H. E. Reimers recovery against the International Indemnity for \$1,067.

The policy involved was the usual automobile liability form. During the life of the policy the old chassis was discarded for a new one and the local agent, being unaware of the change, wrote the policy for the next year on the description of the truck under the preceding policy. During the life of the new policy the truck struck a child and suit was brought and this action was commenced against the company to collect on the policy. The appellant refused to pay on the policy, holding it had not insured the truck which caused the accident.

TAX DEDUCTIONS CLAIMED MUST ACTUALLY PROTECT

WASHINGTON, D. C., April 20.—Insurance companies claiming deductions under the revenue act in addition to that for "reserves required by law" must show that the amounts claimed are in fact required for policyholders' protection, the United States Board of Tax Appeals ruled in passing on the appeal of the Mammoth Life & Accident of Louisville.

The company in its tax return for 1919 claimed a deduction of \$16,210 and in 1920 of \$30,061 for "surplus unassigned funds" in addition to its deductions for reserves. The commissioner of internal revenue disallowed the deductions and assessed additional taxes for the two years of \$2,120 and \$5,873, respectively, and the company appealed.

The board held it had not been shown that the amounts so set aside were necessary, in addition to the reserves required by the Kentucky law, under which the company operated, as a protection for policyholders, and upheld the commission's disallowance of the claim.

Shinn With Constitution Indemnity

G. Wallace Shinn, recently connected with the Massachusetts Bonding, has been appointed special agent of the Constitution Indemnity for Pennsylvania, with headquarters at Philadelphia. Mr. Shinn is a graduate of the fire division of the Insurance Institute of America. His insurance career dates from April, 1923, when he entered the services of Harry E. Vanden, general insurance brokerage and agency office, Philadelphia. In October, 1925, he went with the Massachusetts Bonding as special agent for Pennsylvania, southern New Jersey and Delaware.

Watch Ambulance Chaser Probe

MILWAUKEE, April 19.—Revelations of how ambulance chasers and unethical lawyers in Milwaukee secured personal injury cases; how ambulance chasers passed these out to various lawyers on a split-fee proposition; how claim adjusters have also been guilty of making settlements to the loss of the injured, and many other startling facts have been brought out in the quiz started in circuit court here before three circuit court judges to oust the ambulance chaser and unethical attorney.

The entire insurance business is watching the investigation with keen interest, as many branches of the business have been forced to deal with these ambulance chasers because the latter have been able to secure contracts from injured persons authorizing them to bring actions for damages.

Republic Casualty in Advertising Field

The Republic Casualty of Pittsburgh has contracted with the J. A. Price Advertising Agency of that city for an extensive advertising campaign, which begins immediately with use of liberal space in the Pittsburgh papers. Plans are being made to extend the advertising in the other territories covered by the company. In commenting upon the entrance of his organization into the advertising field, Joseph W. Ward, president and general manager, said: "The major theme of our publicity will emphasize the fact that this company interprets the spirit of the contract, and is not looking for loop-holes through which to side-step when just claims are presented. We believe that the average buyer of casualty insurance is laboring under the impression that the companies will omit no opportunity to invalidate claims under technical constructions in the policy terms, and it is our object to allay his fears so far as the Republic Casualty is concerned."

The Price agency directs the advertising and public relations of numerous important financial organizations in the middle east.

Century's Virginia Plans

RICHMOND, VA., April 19.—The Century Indemnity, casualty running mate of the Aetna Fire, recently admitted to Virginia, will operate in this state independently of the parent company. It is understood that it has already picked a man for state agent and will announce the appointment shortly. Gordon Long is state agent for the Aetna.

Premiums and Losses in 1926 in TEXAS on All Classes of Casualty Business

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Col.	
	Premns.	Losses	Premns.	Losses	Premns.	Losses	Premns.	Losses	Premns.	Losses	Premns.	Losses	Premns.	Losses	Premns.	Losses
Aetna Cas.	302,830	155,505	98,144	32,366	2,568		207,685	195,875	143,820	28,235	28,376	9,773	50,948	36,735	56,513	36,814
Aetna Life	549,999	352,803	5,301	2,282	71,504	25,853										
American Auto.	337,083	172,188	114,802	42,235									25,230	12,723	150,700	109,350
American Employers	1,460	178	71										9		35	
American Fld. & Cas.	30,817	2,299	31,017	1,480											8,465	819
American Indem. Tex.	319,537	126,045	58,984	25,982			5,234	26,149	84,828	16,117			20,006	8,580	82,880	38,920
American Mut. Liab.	17,018	5,513	667		725		15,234	5,439								
American Reinsurance	5,378	6	2,821		2,007	6	14						536		391	74
American Surety	356,080	87,709							328,623	92,405			27,456	6,304		
Assoc. Indust., Cal.	93,219	30,671	664		885		88,154	30,380							469	292
Cas. Indem. Exch., Mo.	1,137	100			1,137	100										
Cas. Recip. Exch.	52,742	35,074	4,814	895	2,350	1,969	39,476	28,975							6,203	3,234
Central Surety	38,811	2,686	10,092	145	1,307		3,079	947	685		11,242	799	2,428	49	9,379	746
Columbia Cas.	101,577	69,684	10,871	6,913	8,011	2,162	58,259	49,662			8,000	3,665	4,710	1,663	6,602	4,636
Commercial Cas.	11,624	1,187	3,178	210	642		1,083	255	43		283		1,134	10	987	2
Continental Cas.	380,258	172,766	28,092	11,085	6,067	431	39,730	27,744	4,472	2,242	7,072	3,240	8,589	4,766	12,272	4,749
Consolidated Und.	206,833	103,163					200,833	103,163								
Constitution Indem.	15,184	189	5,571		634		2,919	38			1,736	47	1,569		2,002	28
Dallas Title & Guar.	50,034	851							4,780							
Detroit Fld. & Sur.	16,717	2,273							16,717	2,273						
Eagle Indem.	36,445	26,700	7,002	5,158	3,965		13,531	15,137			2,858	2,397	2,200	1,130	2,758	1,119
Employers Cas. Tex.	206,329	169,342	65,009	26,928	81,030	66,895	2,520	305	1,185	3,020	650	15	32,810	13,988	70,272	43,749
Employers Indem.	152,172	94,572	39,012	14,506	8,380	79	21,091	14,466	1,411	17,669	14,573	7,985	17,500	7,176	14,837	14,010
Employers Liab.	314,606	172,322	22,718	7,622	20,180	11,434	229,270	128,501			1,882	1,008	4,068	8,668	15,105	9,139
Europ. Gen. Reins.	91,588	95,708	2,737		5,565		42		39,645	60,248			20,038	23,956	64	
Federal Auto. Assn.	11,246	8,327	1,617	286									4,157	5,011	2,460	2,124
Fidelity Sur.	63,076	18,856	6,609		3,725		30,385	11,031	3,003		2,250	694		808	2,678	649
Fidelity & Cas.	196,657	112,123	4,320	3,999	11,003	3,718	105,390	31,315	14,803	11,665	24,322	44,018			343	644
Fidelity & Deposit.	327,326	156,714							303,042	150,042						
Fidelity Lloyds	225,192	75,336	20,873	5,272				1,324			1,177	123			30,401	10,174
Fidelity Union Cas.	567,112	295,939	66,345	29,148	22,778	1,941	334,690	217,062	20,240	192	30,005	30,784	3,157	268	70,468	39,955
Ft. Worth Lloyds.	27,876														1,859	
General Acci.	300,986	151,396	105,082	62,963	22,814	4,639	68,726	36,368			10,980	3,084	15,350	8,539	50,567	29,897
Georgia Cas.	127,757	91,181	26,002	12,142	9,259	2,010	63,122	36,739			10,718	4,886	3,337	582	15,318	7,816
Globe Indem.	346,641	165,384	35,143	12,925	23,540	1,928	168,048	109,480	72,200	11,648	11,214	5,013	14,057	10,518	15,817	5,314
Gulf Cas.	124,980	20,349					124,980	20,349								
Great American Indem.	9,163	322	1,470		300		6,214	322	208		17		93		759	
Hardware Mut. Cas.	10,244	4,525	2,707	1,747	15						3,498	1,005	84		1,984	1,747
Hartford Acci.	509,952	323,657	53,856	15,221	41,295	11,723	284,855	228,361	89,987	16,118	9,890	2,707	33,690	12,953	20,721	13,516
Home Acci.	28,907	44,748	10,105	28,391	1,909	95	6,948	4,146			1,117	391			9,734	11,725
Illinois Indem.	5,073	908	251												4,822	908
Indem. of Amer.	107,420	57,282	37,079	11,042									0,012	5,595	46,801	31,633
Independence Indem.	131,413	80,788	6,815	51	4,380		113,977	79,146			235		736	550	3,767	909
International Indem.	75,259	11,049	25,488	1,081	374	10					1,974	36	11,752	1,775	26,757	7,107
Liberty, Ohio	1,201	181	433								34		213		310	181
Liberty Mutual	4,760	407	1,215	151	912	1,650	2,358	1,827	35						240	79
Lloyds Plate Glass	17,321	4,709									17,321	4,709				
Lomb. Guar.	17,083	31,820	1,426	1,308	507	847	13,404	31,019	1,083	2,310		—7	875	492	522	194
Lumb. Mut. Cas. Ill.	5,459	1,504	2,218	551	107		28				1,116	534			1,000	420
Lumb. Rec. Assn. Tex.	745,546	477,990	42,232	9,524			705,364	464,069								
Maryland Cas.	760,321	360,623	45,915	14,160	47,070	4,768	415,576	242,791	97,086	28,797	24,880	10,047	30,820	13,080	24,222	9,295
Mass. Bonding	179,953	68,115	13,267	8,550	5,437	1,472	8,851	4,978	94,075	584	4,544	3,677	6,277	2,629	5,352	2,260
Medical Protect.	26,942	12,173			26,942	12,173										
Metropolitan Cas.	129,339	15,250	7,294	2,879	7,168	1,925	8,790	1,164	88,312	1,954	9,519	4,641	4,301	1,198	2,703	1,157
National Surety	428,212	217,080					400,807	199,047					27,345	18,037		
National Union Indem.	8,421	867	4,808	312	29				87,347	25,318	18,337	5,414	12,993	1,793	3,306	556
New Amsterdam	416,427	191,378	44,505	6,169	14,019	2,116	211,503	133,407			184				17,356	5,743
New Century Cas.	184														3	
New York Cas.	9,258	5,274	34				4,581	20,893			0,221	5,274				
New York Indem.	17,937	29,010	5,611	2,533	1,812						—219	1,739	795	1,201	3,092	2,168
N. W. Cas. & Sur.	4,537	423	973	100			1,168	72	604	352	238		261		507	
Norwich Union	106,000	94,250	34,141	18,648	6,235	86	62,633	61,137			7,564	3,288	7,488	1,039	15,381	8,626
Ocean Acci.	487,816	255,734	76,081	51,396	37,544	11,502	263,278	154,211	2,241	—26	16,760	7,031	9,178	162	27,067	13,879
Ohio Cas.	35,776	4,617	10,299	404							4,650	361	2,787	500	13,390	2,311
Petroleum Cas.	331,350	114,550					331,350	114,550								
Phoenix Indem.	41,828	26,058	13,503	10,725	6,150	2,459			13,067	9,826	667	267	3,102	406	4,246	2,374
Preferred Acci.	12,537	3,031	193	250									748		77	13
Royal Indem.	273,390	176,066	29,617	18,778	21,641	4,126	118,650	88,901	51,902	32,236	6,531	4,261	10,211	2,719	12,435	16,061
Security Union Cas.	565,368	270,929	5,562	30	16,009	358	520,183	269,496	242						6,418	582
Security Mut. Cas.	39,600	28,438	144	1,978	8,048	1,100	28,505	24,199							2,912	1,160
South Tex. Lloyds.	3,643	1,915											2,186	1,219		
Southern Cas.	392,743	255,175	46,159	26,328	7,126	1,405	192,452	132,689							75,295	50,992
Southern Lloyds	560,308	252,542	54,808	21,920	21,228	2,116	252,594	164,275	124,500	14,653	15,564	4,118	18,187	5,200	25,005	13,289
Southern Sur.	1,012,292	501,760	40,887	25,114	36,560	6,769	473,641	284,269	188,550	72,909	20,317	6,681	10,088	3,821	25,450	9,337
Standard Acci.	560,308	252,542	54,808	21,920	21,228	2,116	252,594	164,275	124,490	14,653	15,564	4,118	18,187	5,199	25,006	13,289
Sun Indem.	4,457	1,417	2,038	875	127		1,380	40							444	502
Texas Comp.	48,849	25,469					48,849	25,468								
Texas Employers	2,512,059	1,596,010					2,512,059	1,596,010								
Texas Indem.	501,427	318,543					501,427	318,543								
Travelers	555,349	318,025	42,897	28,272	46,221	31,097	326,739	218,557								
Travelers Indem.	67,006	20,294			4,439	200										
Union Auto., Cal.	55,282	11,850	24,162	2,886							6,475	1,746	14,271	7,981	29,880	9,216
Union Indem.	203,718	82,209	19,531	7,911	6,233	1,744	74,616	51,908	65,084	2,012	8,457	2,817	10,207	5,222	29,803	7,326
U. S. Auto Exch.	5,489	988	2,098	67											11,565	6,807
U. S. Casualty	165,886	121,364	22,808	11,309	8,820	1,406	60,385	63,696			5,150	3,234	5,420	1,611	1,020	100
Unit. Serv. Auto. Assn.	16,936	5,363	5,129	392											7,532	3,813
U. S. F. & G.	1,133,744	517,766	101,151	37,537	63,730	14,921	485,500	343,466	311,151	71,114	29,035	8,933	47,401	13,600	7,031	3,746

*Total of all casualty business, including classes shown below. Company totals above include other classes shown in groups below.

Companies Writing Other Classes of Casualty Business in TEXAS

ACCIDENT & HEALTH				Prem's.		Losses		Prem's.		Losses		Prem's.		Losses	
	Prem's.	Losses													
Aetna Cas.	\$ 1,846	\$ 9,173	Fid. Union Cas.	7,243	6,590	Missouri State Life..	45,623	13,514	Southern Sur.	104,440	90,921				
Aetna Life	173,334	130,506	First Reins.	15,288	11,076	Monarch Accl.	2,485	2,141	Southern Trav.	35,001	11,549				
Amer. Bankers	58,291	22,476	First Tex. Fr.	35,240	25,560	Nat. Ben. H. & A. ...	413,847	249,239	Standard Accl.	46,977	26,883				
Amer. Employers.	1,345	178	General Accl.	10,923	3,900	Nat. Bond. H. & A. ...	40,242	21,838	Sun Indem.	355	308				
Amer. Nat.	20,490	7,938	Globe Indem.	6,413	8,527	National Cas.	42,367	23,502	Travelers	139,055	40,689				
Bankers H. & A.	162,774	69,498	Great Amer. Cas.	15,901	2,141	Nat. Life, U. S. A. ...	2,026	427	Travelers Indem.	999	320				
Bu. Men's Assur.	416,056	66,371	Great Amer. Indem.	42	.....	National L. & A.	1,100,962	508,467	Union Indem.	8,024	7,786				
Ben. Assn. B. Emp.	50,758	24,125	Great Northern Life	71,075	37,560	New Amsterdam.	9,407	11,509	U. S. Cas.	40,762	36,229				
Columbia Cas. ....	.....	.....	Great Western, Ia. ...	50,735	14,964	N. Y. Indem.	856	210	Union Mut.	11,626	6,973				
Commercial Cas.	3,673	709	Hartford Accl.	29,053	23,059	No. Amer. Accl.	102,490	47,736	U. S. F. & G.	45,100	11,715				
Commonwealth Cas.	19,161	7,935	Int. Ocean Cas.	24,108	12,938	N. A. Life & Cas.	240	73	Wash. Pil. Nat.	426,805	179,349				
Conn. General.	7,745	1,029	Independence Indem.	590	32	N. W. Cas. & Sur.	324	.....	Union Indem.	8,024	3,786				
Constitution Indem.	673	76	International Indem.	482	133	Norwich Indem.	2,258	.....	Western Cas., Colo.	25,600	13,043				
Continental Cas.	200,627	116,420	International Trav.	297,000	189,562	Ocean Accl.	13,252	6,306	Zurich	6,943	4,367				
Continental Life, Mo.	8,388	5,705	Interstate Bus. Men's	20,335	16,721	Old Line Life, Wis.	504	.....	Total, 1926.	\$5,615,917	\$2,867,980				
Eagle Indem.	4,049	1,399	Liberty Life, Kan.	80,111	.....	Old Line Life, Neb.	85	.....	Total, 1925.	5,910,445	2,727,930				
Employers Indem.	32,812	25,70	London Guar.	144	161	Pacific Mutual.	107,632	53,593	NON-CAN. H. & A.						
Employers Liab.	7,519	3,548	Loyal Protect.	3,773	2,641	Pan-American Life.	10,252	3,799	Aetna Cas.	80	.....			
Europ. Gen. Reins.	15,979	1,253	Maryland Cas.	41,073	34,070	Phoenix Indem.	493	.....	Aetna Life.	1,814	286				
Federal Cas.	9,356	6,760	Mass. Bonding.	71,640	43,964	Pilot Life.	1,237	2,720	Conn. General.	2,140	.....			
Federal Life, Ill.	149,813	116,545	Mass. Protect.	748	450	Provident Accl.	11,910	107,618	Continental Assur.	172	.....			
Federal Sur.	14,007	5,674	Metropolitan H. & A.	30,562	9,418	Provident L. & A.	211,222	24,406	Continental Cas.	10,354	2,089				
Fidelity & Cas.	32,102	16,459	Metropolitan Cas.	1,019	532	Reliance Life.	41,708	7,203	(CONTINUED ON NEXT PAGE)						
			Metropolitan Life.	138,185	55,381	Ridgely Protect.	11,729	7,203							
			Mid-Continent Life.	18,100	9,408	Royal Indem.	15,578	7,685							

(CONTINUED ON NEXT PAGE)

GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.

Accident and Health, Burglary, Plate Glass,
Steam Boiler, Automobile Liability, Property
Damage and Collision, Elevator, Teams, Public
Liability and Workmen's Compensation

FREDERICK RICHARDSON, United States Manager
General Building 4th and Walnut Streets
PHILADELPHIA

"A SUBSTANTIAL AUTOMOBILE COMPANY WRITING ALL FORMS IN ONE POLICY"

ILLINOIS MOTOR CASUALTY COMPANY

SPRINGFIELD

CAPITAL and SURPLUS \$350,000.00

Desirable Territory Open in Illinois

CONSERVATIVE PROGRESSIVE DEPENDABLE

J. L. PICKERING, President

Please send me your interesting Agency Proposition.

Name

Address

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INSURE IN APRIL

In a Stock Company Incorporated 1902

Assets Now \$3,218,290.89

AMERICAN CASUALTY COMPANY

READING, PENNA.

Inquire about our agency (direct reporting) proposition.

NOW IS THE TIME

To make an agency connection with the
INTER-OCEAN CASUALTY COMPANY
CINCINNATI, OHIO

Celebrating the beginning of its Twenty-fifth Year.

Wonderful Prize offers and Home-Coming.

Special Commercial and Monthly Policies to mark celebration year.

Write Home Office for liberal contracts.

Available territory in thirty-five states
for men of production ability only.

Full Coverage
Automobile
Insurance
At
Independent
Rates

Stock Company
UNDERWRITERS CASUALTY COMPANY

HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.

Capital and Surplus
\$200,000.00

Agents Solicited

(CONT'D FROM PRECEDING PAGE)

	Premiums	Losses
Employers Indem....	1,788	.....
Europ. Gen. Reins....	75	.....
First Reins.....	131	.....
Great Northern Life	481	.....
Great Western Ia....	413	.....
Mass. Protect.....	76,650	58,378
Metropolitan Life....	40	.....
Monarch Accl.....	8,144	4,860
Pacific Mutual.....	130,001	35,535
Pilot Life, N. C.....	50	.....
Southern Sur.....	1,335	.....
Travelers.....	36	.....
Total, 1926.....	\$ 207,322	\$ 101,148
Total, 1925.....	179,602	81,759

STEAM BOILER

Columbia Cas.....	1,139	.....
Continental Cas.....	584	.....
Eagle Indem.....	406	.....
Employers Liab.....	2,609	302
Europ. Gen. Reins....	406	.....
Fidelity & Cas.....	28	382
General Accl.....	1,537	.....
Hartford St. Boiler..	99,513	3,826
Independence Indem..	444	.....
Maryland Cas.....	18,329	2,262
N. Y. Indem.....	30	.....
Ocean Accl.....	6,178	162
Royal Indem.....	5,518	292
Southern Sur.....	34	.....
Travelers Indem.....	2,335	332
Total, 1926.....	\$ 130,182	\$ 7,558
Total, 1925.....	200,110	26,626

ENGINE & FLY WHEEL

Aetna Cas.....	2,281	1,126
Columbia Cas.....	2,251	353
Eagle Indem.....	27	.....
Employers Liab.....	5,196	2,100
Europ. Gen. Reins....	48	.....
Fidelity & Cas.....	1,569	1,253
Hartford St. Boiler..	87,159	19,666
Independence Indem..	903	.....
London Guar.....	85	.....
Maryland Cas.....	1,109	.....
N. Y. Indem.....	2	.....
Ocean Accl.....	24,557	929
Royal Indem.....	1,307	.....
Travelers Indem.....	1,604	500
Total, 1926.....	\$ 128,154	\$ 25,927
Total, 1925.....	78,220	25,877

SPRINKLER

Aetna Cas.....	8,337	1,283
Maryland Cas.....	3,426	1,351
Metropolitan Cas....	144	.....
U. S. F. & G.....	528	187
Total, 1926.....	\$ 12,435	\$ 2,821
Total, 1925.....	4,828	2,253

CREDIT

Amer. Credit Indem..	22,761	152
Southern Sur.....	11,544	1,938
Total, 1926.....	\$ 34,305	\$ 2,090
Total, 1925.....	32,090	19,574

LIVE STOCK

Hartford L. S.....	2,436	3,280
Total, 1925.....	10,341	10,599

TITLE

Dallas Title & Guar..	44,114	851
Fid. Union Cas.....	5,576	.....
Total, 1926.....	\$ 49,690	\$ 851
Total, 1925.....	48,208	1,254

CHECK FORGERY

Standard Accl.....	694	71
Total, 1925.....	191	.....

Uptown Office Closed

The Fidelity & Casualty has closed its Philadelphia uptown bonding office because it feels better service can be given from the main office of the company at Philadelphia. Roy Cox, who was manager of the uptown office, has been made assistant to J. Dallas Smith, manager of the main office bonding department. Len H. Wilson, who formerly was with the Massachusetts Protective Association, has been appointed special agent of the company for accident and health lines. Philadelphia will be his headquarters.

Scott With the General

Raymond Scott has been appointed supervisor of compensation claims at the home office of the General Accident. He has been handling Pennsylvania compensation claims since 1916. He was formerly connected with the Baldwin Locomotive Works as assistant superintendent, handling claims, looking after accident prevention and general safety work. Later he was connected with the London Guarantee & Accident as assistant manager of the claim department in Philadelphia.

Nebraska Proposal Killed

LINCOLN, NEB., April 20.—The last one of the several bills introduced into the legislature intended to compel owners of motor vehicles to carry liability insurance, was killed when the house swept its platter clean of house bills by voting to kill all that had not been acted on. This bill had been killed once before, but had been lifted by a vote of the house.

SOME IMPROVEMENT FOUND IN TWO LINES

Col. Sir Edward Ward, chairman of the Employers Liability, said in his annual address at the shareholders' meeting that, regarding his company's business in the United States, improvement is apparent in the workmen's compensation and automobile lines. His remarks regarding these lines are:

"Workmen's compensation insurance is slowly emerging from the serious losses which we suffered in the last three years and which were caused by the inadequate rates fixed by the various state authorities. While the loss ratio is still too high, it is getting near a figure which should yield a profit. The conditions, however, relating to this business are such that we are steadily reducing the proportion it bears to our total business."

Touches on Compulsory Liability

"With regard to motor car insurance, a big item in our American business and a profitable one, a compulsory law has just come into operation in Massachusetts. This will lead to a very large increase of business, but may tend to reduce the ratio of profit inasmuch as the careful selection of risks may be made more difficult."

NATIONAL UNION IS BUILDING CAREFULLY

The National Union Indemnity of Pittsburgh is gradually building up the business along conservative lines. It writes automobile, plate glass and burglary. The company is able to cooperate with the National Union Fire and frequently are found in the same agency. With the National Union Fire it can give full coverage automobile insurance. S. F. Norwood, vice-president, in charge of agencies is now on the Pacific coast, where he has been for the last few weeks visiting agencies.

C. L. Brearly, the assistant secretary, is the underwriter. Edward A. Woods, manager at Pittsburgh for the Equitable Life of New York, is one of the directors.

The National Union Indemnity has just entered Idaho, Montana, New Hampshire and Maine. This puts it in almost all the states where the National Union Fire is operating.

Nashville Firm Appointed

The New York Indemnity announces the appointment of Loventhal Brothers of Nashville as general agents for casualty and surety lines. Charles B. H. Loventhal, member of the firm, served as secretary three years and later as president of the Tennessee Association of Insurance Agents. For the past 10 years Mr. Loventhal has been chairman of its legislative and public relations committee. At the present time he is the Tennessee representative of the Workmen's Compensation Publicity Bureau.

For several years Mr. Loventhal was a member of the executive committee of the National Association of Insurance Agents and was also vice-president of the southern states for this organization. He was also chairman of the fire and conservation committee of the National association.

Mr. Loventhal associated with his brother, Lee J. Loventhal, has represented the Preferred Accident and the Northwestern Mutual Life since 1895, and in addition has successfully represented 14 other fire and casualty insurance companies.

No Iowa Bank Guaranty Law

The effort to establish a state bank guaranty law in Iowa failed at this session of the legislature as last week the sifting committee of the house of representatives did not report out the district clearing house association bank bill. This settled the attempt of the legislature to pass any bank guaranty measure at this session. The legislature adjourned last Friday.

HEARING ON YENTER INJUNCTION BEGINS

NON-INTERFERENCE DESIRED

Five Companies Are Involved in Case
Arising From Deal on Policies for
Reinsurance

DES MOINES, April 20.—The hearing on the restraining order granted by the federal district court against Insurance Commissioner Yenter of this state, temporarily enjoining him from interfering with the business of the Massachusetts Bonding, Ocean Accident & Guarantee, Columbia Casualty, Independence Indemnity and Fidelity & Casualty, because of their refusal to pay on reinsurance policies connected with depository bonds to cover public deposits in the failed Carnegie Trust Company of Pittsburgh, started this week. The Southern Surety of Des Moines had the primary bond which was reinsured partly in the companies mentioned.

Commissioner Yenter, it was claimed by the companies, refused to renew their licenses, claiming that an unlawful conspiracy had been entered into to refuse payment on the reinsurance in the Southern Surety, jeopardizing therefore its standing. Commissioner Yenter in justification of his act stated these companies refused to submit to an investigation regarding their alleged conspiracy. The companies contend however that they did not honor Commissioner Yenter's request, because he sought information of a confidential nature which was to be used later in court proceedings in connection with the Southern Surety's suit for \$1,000,000 damages.

L. C. Reynolds Resigns

L. C. Reynolds, who for the past seven years has been compensation and liability underwriter at the main Philadelphia office of the Fidelity & Casualty, has resigned to take a similar position at the home office of the General Accident.

The Home Accident plans to enter Oregon. J. L. Culpepper, manager at San Francisco, was in Portland last week in connection with arrangements.

MISSOURI DEPARTMENT RULES ON DIVIDENDS

COMPENSATION IS SUBJECT

Edict Says Companies and Carriers May
Not Pay Dividends, Savings Oftener
Than Once a Year

The Missouri insurance department has issued a ruling to the effect that no participating company or carrier shall agree to pay dividends or savings to policyholders on workmen's compensation insurance oftener than once in each 12 months. Such dividends shall only be paid on the calendar or policy year basis. No company or agent shall guarantee or promise to a policyholder the amount or percentage of dividends to be returned or paid.

This ruling was made it is claimed, on account of the American Mutual Liability of Boston guaranteeing dividends in advance. The order was issued after the National Council on Workmen's Compensation Insurance had informed the Missouri department that this company could not legally do what it was advertising in its home state.

Establishing New Agencies

KANSAS CITY, MO., April 19.—The Kansas City branch of the Detroit Fidelity & Surety, under the management of W. J. Gibbons, has established several agencies and general agencies in Missouri and Kansas recently. The branch is making an active campaign of development in those two states. H. G. F. Schmidt of St. Joseph, Mo., has been appointed general agent. He has been in the insurance business in St. Joseph for a number of years. This is the Detroit's first entrance into St. Joseph and the surrounding territory.

In Wichita, Kan., the Wheeler-Kelley-Hagney agency has been made general agent. The Ollis Investment Company of Springfield, Mo., has been appointed agent for southern Missouri.

The general agency of Barry, Parks & Roper, at Norfolk, Va., representatives of the Aetna Life and affiliated companies for many years, has been terminated and a service office will be continued in Norfolk under the direction of F. W. Clintsman, manager of the Aetna branch at Richmond.

New Amsterdam

Casualty Company

A Progressive
Surety and Casualty Company

NORTHWESTERN

CASUALTY AND SURETY COMPANY
HOME OFFICE: BRUMBER BUILDING
MILWAUKEE, WISCONSIN

Financial Statement, June 30th, 1926

Executive
Offices
Union
Indemnity Bldg.
New Orleans

Eastern
Department
109
Madison Lane
New York

ASSETS	
Government, Municipal and Miscellaneous Bonds and Stocks..	\$1,954,297.79
First Mortgage Real Estate	
Loans	19,000.00
Real Estate	7,500.00
Cash in Banks and Offices	\$1,336.95
Premiums in Course of Collection not due over 90 days	136,013.51
Interest Due and Accrued	30,570.84
Sundry Assets	\$2,116.52
TOTAL	\$2,310,835.81

LIABILITIES	
Reserve for Claims	\$ 510,007.00
Reserve for Unearned Premiums	281,850.00
Reserve for Commissions	34,139.51
Reserve for Sundry Bills	2,000.00
Reserve for Taxes	10,200.74
Reserve for Bills Payable	\$1,000.00
Special Reserves	\$0,540.73
Capital paid in	\$750,000.00
Surplus over all	
Liabilities	\$62,000.63
TOTAL	\$2,310,835.81

Surplus to Policyholders..\$1,352,090.63

FIDELITY AND SURETY BONDS
ACCIDENT, HEALTH, BURGLARY, AUTOMOBILE, LIABILITY, PLATE GLASS
AND WORKMAN'S COMPENSATION INSURANCE

Income Insurance Specialists

Opportunities for Salesmen in Forty-Seven States
Address H. A. LUTHER, 2nd Vice-President

North American Accident Insurance Co.
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Write for
Territory in
Central States

**\$1,000 Accident Coverage with Every Automobile Policy
AT NO EXTRA COST!**

THE AMERICAN GUARANTY CO.
COLUMBUS, OHIO

AUTOMOBILE INSURANCE
Full Coverage in One Policy

FIDELITY AND SURETY BONDS

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard
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RE-INSURANCE UNDERWRITER
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STANDARD FORM
EXCESS LOSS
(50/50) FORM



OF ILLINOIS

HOME OFFICE:
INSURANCE EXCHANGE
CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

CHART DELIVERIES TO BEGIN NEXT MONDAY

Over 800 Organizations of Every
Kind Are Shown in Valuable
Publication

GIVES SMALL COMPANIES

Underwriting Results Are Included in
New Arrangement of the Stock
Company Exhibit

The 1927 edition of the Argus Casualty Chart is nearly ready and deliveries will commence April 25. This is the twenty-eighth year for this publication. The new chart is printed in blue ink, on the theory that blue ink is easier to read than black. This is an experiment, although not a radical one, and may prove to the satisfaction of the publishers and the users of the chart, that blue is more serviceable for printing statistical works of this nature.

The Chart shows over 800 casualty organizations, writing all classes of casualty and surety business. There are four classifications of companies shown, namely, stock casualty and surety or multiple line companies, mutual casualty and surety, including reciprocals and Lloyds, stock and legal reserve life companies writing accident and health exclusively and assessment mutual and assessment writing accident and health exclusively.

Gives the Obscure Companies

The list of companies shown is more complete and correct than any other statistical chart published. This is made possible by a careful check-up of all the companies writing in the United States and securing numerous reports from the insurance departments so that, unlike other charts, the Argus Chart does not publish only companies that are well known and for whom reports are easy to obtain. Just as in the Argus Fire

Chart, which was published over two weeks ago, there has been an earnest attempt to make data in the Casualty Chart more serviceable and more complete. It is the obscure company or organization that agents are anxious to know something about, more often than the well known and financially strong and nation-wide operating companies.

Better View of Underwriting

In line with a suggestion made by a number of the leading casualty companies, the right hand side of the chart, showing income and disbursements, has been changed materially so as to bring out more sharply the companies' real operations. Unearned premiums and losses incurred have both been added to the Chart. While these items were shown in the previous charts, they were only for one year, and in a separate table.

By showing the earned premiums in the chart, it has been possible to show the ratio with the losses incurred. This reflects the underwriting profit or loss. The underwriting expenses incurred make it possible to show the percentage of expenses to written premiums. Of course, no totals are given for the two combined ratios, as one is figured with the earned premiums and the other computed by using the written premiums.

This particular showing of earned premiums, losses incurred and expenses incurred, is only applied to the stock casualty and surety companies, other than the exclusive accident and health.

Of interest to subscribers, ten year tables are given showing the classification of premiums and losses of different lines.

Many Other Tables

Besides the comparative financial statements and classified premiums and losses of the various lines for multiple line companies there are many other useful tables in the Chart. A list of the nation-wide organizations that have special relations with the casualty and surety business, state insurance officials, tabulation showing where companies operate if in more than one state, a ten year exhibit of the remittance of funds to and from home offices by foreign companies, industrial accident policy fees received and retained by agents in 1926, are some of the useful features.

Compensation and Liability

There is also a tabulation showing the experience on liability policies for all companies writing liability. This is given for the year 1926 together with the aggregate experience of the earned premiums and the losses paid, including claims expense paid. Likewise a table is shown on the compensation business giving the data for companies writing workmen's compensation. Ratios are shown to earned premiums both for 1926 and aggregate experience for liability and compensation experience.

Needed by Agents

There have been numerous changes in the casualty field and the Chart shows the companies retired since December, 1920, whether stock, mutual or reciprocal. The Casualty Chart is a publication that every agent in general insurance offices should have, even though they are not writing casualty. Policyholders will want to know about some of the companies that will be shown in the Chart. Copies of this publication may be secured by addressing the National Underwriter Company. Single copies are sold at 75 cents.

Mee's Condition Improving

NEW YORK, April 20.—Latest reports tell of a slight improvement in the condition of John L. Mee, vice-president and agency superintendent of the National Surety, who has been seriously ill for some weeks. The operation Mr. Mee underwent recently proved successful and his complete recovery, while likely to be slow, is confidently anticipated.

INSURANCE MEN WILL ATTEND SAFETY MEET

LARGE DELEGATION EXPECTED

Company Representatives Scheduled to
Address Safety Council Members
At May Conference

When the seventh annual conference of the Massachusetts Safety Councils is held at Worcester May 17-18 a big group of industrialists will be present the first day, which will be devoted exclusively to industrial problems. A considerable detachment of insurance men is expected. Henry R. Sinclair, president, Worcester Safety Council, presides at the afternoon session when Arthur S. Johnson, engineering department, American Mutual, speaks on "Plant Safety Records and Their Use." Discussion following will be led by H. W. Heinrich, assistant superintendent, the Travelers.

The second day will be devoted to highway safety problems. Many interesting speeches are scheduled for the day. In the afternoon, with George H. Hill, president, New England Association of Chiefs of Police and chief of the Worcester police department, presiding, Robert I. Catlin, secretary, Aetna Life will talk about "The Commercial Fleet Owner's Part in the Safety Campaign."

PHOENIX INDEMNITY OPENS NEW YORK DEPARTMENT

NEW YORK, April 29.—Following the removal of the home office the Phoenix Indemnity to the 12th floor of the building at 150 William street, it has been announced that a metropolitan department will be opened on the ground floor of the same building. Raymond S. Choate, secretary of the company, will be in charge of this department, P. F. Tiernan will be in charge of the compensation and liability departments; D. J. Driscoll, in charge of burglary and plate glass; A. L. MacLennan in charge of accident and health and F. A. Sullivan in charge of production. Clifford P. Arnold will direct the claim department for the local office, which will be located at 79 Ann street.

William S. Cooper had been appointed chief of the automobile underwriting department of the home office of the Phoenix Indemnity. Mr. Cooper has had wide experience. He was connected with the United States Fidelity & Guaranty at Newark for a number of years, was superintendent of the automobile department of Aetna Life and affiliated companies at Pittsburgh for three years, and was in charge of the automobile department of the Manufacturers' Liability at its home office in Jersey City for three years. For the past three years he has been an automobile underwriter for the United States Casualty.

Reward Is Posted

Follette L. Greene, president of the Casualty Insurance Club of Rochester, N. Y., has announced that the club has posted a reward of \$50 to anyone giving information that will lead to the arrest and conviction of any automobile driver who, after an accident in Rochester in which his machine is involved, leaves the scene of the accident without stopping and giving information in accordance with the state motor vehicle law of New York. In announcing the offer, President Green said:

"It means nothing to the members of our organization insurance-wise if arrest does not follow an accident. In fact, if the driver or owner who is liable for the accident cannot be found there can be no claim against the policyholder. It does mean much to us as human beings to see these criminal autoists kill, maim and destroy property outside the law."

The first annual Duluth district convention of the Travelers companies will be held this week. About 100 agents will attend. The district covers northern Minnesota, northern Wisconsin and northern Michigan.

BANKERS INDEMNITY HAS INCREASED ITS CAPITAL

IS RAISED TO EVEN MILLION

Newark Company, Recent Entrant into
Field, Has Made Remarkable
Progress

NEWARK, N. J., April 20.—Stockholders of the Bankers Indemnity of Newark at a meeting yesterday approved the recommendation of their directors that the capital be increased from \$500,000 to \$1,000,000. Directors will later determine the time of the new stock issuance and the figure at which it will be sold. Beginning business just about a year ago, the Bankers Indemnity is now entered in 12 states, Wisconsin being the latest in which it was licensed following a joint examination by the Wisconsin and New Jersey departments.

Writing personal accident and health, burglary, plate glass, workmen's compensation and all liability lines, the premium income of the company for the latter half of last year totaled \$229,000, a figure that has practically been equaled in the first quarter of 1927. Its expense ratio last year was but 54 percent, a remarkably low figure when it is considered that it included the heavy preliminary cost of getting under way.

Frederick E. Wilkins, vice-president and general manager of the Bankers Indemnity, has had an extended underwriting experience and has made full use of his knowledge in developing the plans for his company.

CASUALTY EXECUTIVES' ANNUAL MEETING, MAY 3

NEW YORK, April 20.—A call for the first annual meeting of the Association of Casualty & Surety Executives has been issued by A. Duncan Reid, its chairman. The gathering will be held at the Waldorf-Astoria here May 3, the day preceding the annual meeting of the National Bureau of Casualty & Surety Underwriters. While a number of important matters are scheduled for consideration, the chief interest will center about the report of the special committee previously named to consider the relationship of the various subsidiary organizations, with a view to their closer coordination and a reduction in their operating expense. This committee, of which Charles F. Frizzell, vice-president and general manager of the Indemnity of North America, is chairman, has as its other members William BroSmith, vice-president, Travelers; F. Highlands Burns, president Maryland Casualty; Edward C. Stone, United States manager Employers Liability, and R. Howard Bland, president United States Fidelity & Guaranty.

CONSTITUTION INDEMNITY APPOINTMENTS IN CHICAGO

James F. Feeney, who has been an assistant under R. E. Hall, manager of the bond department of the Ocean Accident & Guarantee and the Columbia Casualty in Chicago, will become associated with Blackwell & Douglass, managers of the western department of the Constitution Indemnity, in the fidelity and surety department.

Horace E. Thornton, formerly a local agent at Pontiac, Ill., has been appointed special agent for Illinois with headquarters in Chicago. Mr. Thornton was a successful casualty and surety producer and has a good following in the state.

Donald E. Chase, who has been in the Illinois field as special agent for the company since the western department was organized, has been assigned to the Michigan field as special agent for that state with headquarters at Detroit.

Fred C. Nofztger, who has been connected with the Maryland Casualty in Chicago and also at the home office, has been appointed supervisor of claims.

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THE PRESIDENT: "A very satisfactory settlement! Every loss which could be covered by insurance seems to have been covered. You can tell your company that we appreciate the service you've given us."

THE ADJUSTER: "I'm glad you're satisfied; but I think you're giving me credit that belongs to your agent. I am merely carrying out the provisions of the policies he wrote."

What will he think of your service---after the fire?

It is a comparatively easy matter to keep a fire policyholder satisfied—until a fire puts your service to the test.

Then it will be quickly revealed whether your work be thorough or whether it be deficient. Whether you had filled his needs for U & O, Profits, Leasehold Interest, Rents, or Rental Value—or whether you had considered these "side lines" too much trouble, and had let him drift along with merely straight fire insurance. Then it will be determined whether that policyholder will become a life-long booster for you and your company, or whether his business will go to some other man.

If the policyholder is a manufacturer, and the fire demonstrates his need of U & O and Profits insurance, you will be in an enviable position as far as his future business is concerned, if you had urged him to carry these lines.

If he is a merchant and the fire cancels his lease, or forces him to close his store during a busy season, he will recommend you to his friends as "a man who knows his

business" if you had persuaded him to carry Leasehold Interest and U & O.

If he is a landlord, and the fire causes him to lose six months rental from one of his apartment buildings, he will think twice before he gives his insurance business to some other man if Rents insurance, recommended by you, made good his loss.

Yes, there are two good reasons why you should study up on, and solicit such lines as U & O, Profits, Leasehold Interest, Rents, and Rental Value.

First, because every manufacturer, merchant, and property owner on your books, needs one or more of these to complete his coverage—and it's your business to see that your policyholders are properly protected.

Second, because several of these lines develop big individual premiums; all of them will produce big aggregate premium volume. They have not been actively solicited, and for that reason are easily written.

You will be well paid for the time you spend on them.

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